



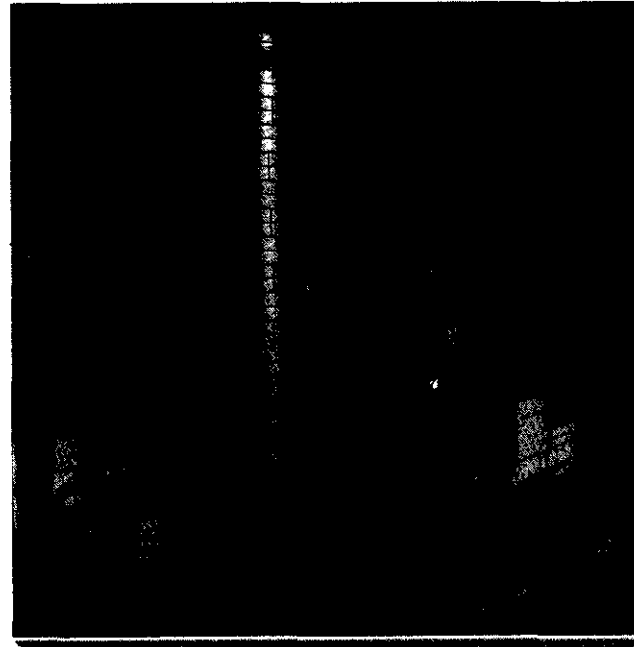
# **TATA ELECTRIC**

The Tata Power Company Limited



**81<sup>st</sup> Annual Report**  
**1999-2000**

# V i s i o n

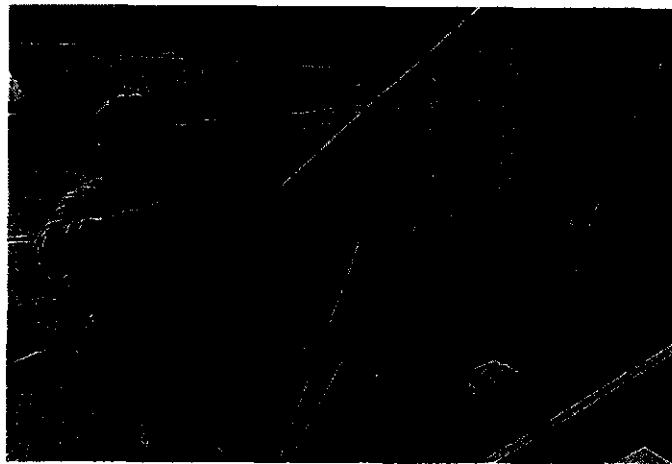


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*For over nine decades, Mumbai has been enjoying high quality reliable power supply. The Metropolis, which is the Commercial Capital of the Country, has sustained its continuing growth. Tata Electric is proud to contribute to Mumbai's development.*



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..... TATA POWER

**TATA ELECTRIC**

Eighty-first annual report 1999-2000

**ANNUAL GENERAL MEETING**

*On Thursday, 10th August 2000,  
at Birla Matushri Sabhagar at 3.00 p.m.*

**As a measure of economy, copies of the  
Annual Report will not be distributed at the  
Annual General Meeting. Shareholders are  
requested to kindly bring their copies to  
the Meeting.**

# Contents

Board of Directors	2
Notice	3-5
Explanatory Statements	6-8
Directors' Report	9-13
Annexure I to the Directors' Report	14
Annexure II to the Directors' Report	15
Financial Statistics	16
Auditors' Report	17
Annexure to the Auditors' Report	18-19
Balance Sheet	20
Profit and Loss Account	21
Schedules "A" to "I" forming part of the Balance Sheet	22-30
Schedules "1" to "5" forming part of the Profit and Loss Account	31-34
Notes forming part of the Accounts	35-40
Balance Sheet Abstract and Company's General Business Profile	41
Cash Flow Statement	42
General Shareholder Information	43-45
Statement pursuant to Section 212 of the Companies Act, 1956, related to Subsidiary Company	46
	Jamshedpur Power Company Limited 47-51

## Accounts of the Subsidiary Company

**The Tata Power Company Limited**

## **TATA ELECTRIC**

Eighty-first annual report 1999-2000

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**The Tata Power Company Limited**

### **BOARD OF DIRECTORS**

*(as on 14th June 2000)*

**R. N. Tata** *(Chairman)*

**H. N. Sethna**

**D. G. Mehra** *(Whole-time Director)*

**A. J. Engineer** *(Whole-time Director)*

**R. Thothadri**

**C. P. Mistry**

**Syamal Gupta**

**R. Gopalakrishnan**

### **SECRETARY**

**B. J. Shroff**

### **REGISTERED OFFICE**

**Bombay House,  
24, Homi Mody Street,  
Mumbai 400 001.**

### **SHARE REGISTRARS**

**TATA SHARE REGISTRY LIMITED**  
**Army & Navy Building,**  
**148, M. G. Road,**  
**Mumbai 400 001.**

**junction.com**

### **SOLICITORS**

**Mulla & Mulla and Craigie, Blunt & Caroe**

### **AUDITORS**

**A. F. Ferguson and Company,**  
*Chartered Accountants.*

**S. B. Billimoria and Company,**  
*Chartered Accountants.*

### **BANKERS**

**State Bank of India**  
**Citibank N.A.**  
**ANZ Grindlays Bank.**

## NOTICE

The EIGHTY-FIRST ANNUAL GENERAL MEETING of THE TATA POWER COMPANY LIMITED will be held on Thursday, the 10<sup>th</sup> day of August 2000 at 3.00 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020, to transact the following business :—

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31<sup>st</sup> March 2000 and the Balance Sheet as at that date.
2. To declare a Final Dividend on Equity Shares.
3. To appoint a Director in place of Mr H N Sethna, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr C P Mistry, who retires by rotation and is eligible for re-appointment.
5. **Dividend for the year 1998-99 in respect of shares the forfeiture of which was waived**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :—

"RESOLVED that the dividend of Rs.3.70 per Share declared and approved by the shareholders for the year ended 31<sup>st</sup> March 1999 at the Annual General Meeting of the Company held on 10<sup>th</sup> August 1999 be also approved for payment on 2060 Equity Shares, which were as of 31<sup>st</sup> March 1999 forfeited, and which forfeiture was annulled by the Board of Directors on 31<sup>st</sup> January 2000."

6. **Re-appointment of Mr A J Engineer as a Whole-time Director**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :—

"RESOLVED that, in accordance with the provisions of Sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the re-appointment and terms of remuneration of Mr A J Engineer, Whole-time Director of the Company, from 1<sup>st</sup> September 2000 to 31<sup>st</sup> August 2002, upon the terms and conditions set out in the draft Agreement submitted to this meeting and initialled by a Director for the purpose of identification, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or Agreement in such manner as may be agreed to between the Board of Directors and Mr Engineer."

7. **Increase in Authorised Capital**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :—

"RESOLVED that the Authorised Capital of the Company be increased from Rs.230,00,00,000 divided into 1,00,000 – 11% Cumulative Redeemable 'A' Preference Shares of Rs.100 each and 22,90,00,000 Equity Shares of Rs.10 each to Rs.529,00,00,000 divided into 3,00,00,000 Cumulative Redeemable Preference Shares of Rs.100 each and 22,90,00,000 Equity Shares of Rs.10 each by the reclassification of 1,00,000 – 11% Cumulative Redeemable 'A' Preference Shares of Rs.100 each as 1,00,000 Cumulative Redeemable Preference Shares of Rs.100 each and by the creation of 2,99,00,000 Cumulative Redeemable Preference Shares of Rs.100 each and that Clauses V and VI of the Memorandum of Association be altered accordingly."

8. **Amendment to Articles of Association**

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :—

"RESOLVED that pursuant to the provisions of Section 31 of the Companies Act, 1956, Article 5 of the Articles of Association of the Company be substituted by the following Article :—

'The present capital of the Company is Rs.529,00,00,000 divided into 3,00,00,000 Cumulative Redeemable Preference Shares of Rs.100 each and 22,90,00,000 Equity Shares of Rs.10 each.' "

9. **Issue of Preference Shares**

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :—

"RESOLVED that pursuant to Sections 80, 81 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendments to or re-enactment thereof) and the Articles of Association of the Company and subject to such other consents and approvals, if any, as may be necessary and subject to such conditions and modifications as may be prescribed in granting such consents and approvals and which may be agreed to by the Board of Directors (hereinafter referred to as "the Board" which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board to issue, offer and allot such number of Redeemable Preference Shares

**TATA ELECTRIC****Eighty-first annual report 1999-2000****The Tata Power Company Limited**

of the face value of Rs.100 each of an aggregate nominal value not exceeding Rs.300,00,00,000 (Rupees Three hundred crores), exclusive of such premium, if any, as may be determined by the Board in one or more private offerings including private placement to Indian Financial and Investment Institutions, Banks, Mutual Funds, bodies corporate and other persons/institutions, whether shareholders of the Company or not, in one or more tranches at such time or times and at such rate as may be decided by the Board in its absolute discretion.

"RESOLVED FURTHER that without prejudice to the generality of the above, the Board be and is hereby authorised to determine as to when the said Preference Shares are to be issued, the types and classes of investors to whom the Preference Shares are to be offered, the number and value of the Preference Shares to be issued in each tranche, utilisation of the issue proceeds, the terms and conditions subject to which the Preference Shares are to be issued (including combination of terms for Preference Shares issued at various points of time), including, but not limited to, the number of shares to be issued, rate of dividend, period of redemption, manner of redemption (including by conversion to equity, if permissible in law), premium on redemption or premature or early redemption at the option of the Company and/or the investor, terms for cumulation or otherwise of dividends including disposal of the unsubscribed portion of the Preference Shares and all such terms as are provided in offerings of a like nature.

"RESOLVED FURTHER that for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary or desirable, and pay any fees and commission and incur expenses in relation thereto."

**10. Alteration of Objects Clause of the Memorandum of Association**

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :—

"RESOLVED that pursuant to the provisions of Section 17 and other applicable provisions of the Companies Act, 1956, Clause III of the Memorandum of Association of the Company be altered by insertion of the undermentioned Clauses:

35A. To carry on in India or elsewhere any of the businesses in the field of Internet Service Providers, telecommunications in all its ramifications and to provide services related to E-Commerce, Electronic Data Interchange, Networking, High End Voice, Data and Image Transfer Solutions, Web T.V., On Line Shopping, Creation of Web sites and Web-based solutions, CGI Interface, FTP Access, Usenet and Telnnet, Internet Relay Chat, Domain Name Registration and Routing, Computer Storage Space Solutions or any other technological advances in this field and to deal in any manner whatsoever in such products and to develop, design, produce, maintain and deal in any manner whatsoever with information technology and communication-based products and services through the internet, world wide computer network or otherwise and to provide services of consultancy and training, designing, coding and integrating systems in all these fields and to develop, configure, manufacture or deal in computer hardware and systems and accessories, peripherals thereof, digital products, and the development and marketing of software and all types of products and services relating to the computer industry, now known or which may hereafter be invented and to carry on such other businesses as may be conveniently or advantageously combined with these businesses.

35B. To establish, promote, purchase, setup or connect with and/or lease any database, network, data and information processing centers for dissemination of knowledge and information related to the computer, communications and information technology industry in all its ramifications."

**11. Commencement of New Business**

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :—

"RESOLVED that pursuant to Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, consent be and is hereby accorded to the Company to the commencement by the Company of the business of Internet Service Providers, telecommunications in all its ramifications and to provide services related to E-Commerce and the development and marketing of software and all types of products and services related to the computer industry, now known or which may hereafter be invented and to carry on such other businesses as may be conveniently or advantageously combined with these businesses."





## 12. Appointment of Auditors

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :—

"RESOLVED that Messrs. A F Ferguson & Company and Messrs. S B Billimoria & Company be and are hereby re-appointed Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to examine and audit the accounts of the Company at Mumbai and the Divisions for the financial year 2000-2001 on such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors plus service tax, travelling and out-of-pocket expenses."

## 13. Appointment of Branch Auditors

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :—

"RESOLVED that the Board of Directors be and is hereby authorised to appoint the Company's Auditors and/or in consultation with the Company's Auditors any person or persons qualified for appointment as Auditor or Auditors of the Company under Section 226 of the Companies Act, 1956 so far as Branch Offices in India are concerned, or an accountant or accountants duly qualified to act as Auditor or Auditors of the Branch Offices of the Company situated in countries outside India, in accordance with the laws of the country in which the Branch Offices of the Company are situate, to audit the accounts for the financial year 2000-2001 of the Company's Branch Offices in India and abroad respectively and to fix their remuneration (which in the case of the Company's Auditors shall be in addition to their remuneration as the Company's Auditors) and the terms and conditions on which they shall carry out the audits."

- NOTES:**
- (a) The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in regard to the business as set out in Item Nos.5 to 13 above, are annexed hereto.
  - (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
  - (c) The Register of Members and the Transfer Books of the Company will remain closed from 26th July 2000 to 10th August 2000, both days inclusive.
  - (d) Final Dividend, if declared, will be paid to those Members whose names appear on the Company's Register of Members on 10<sup>th</sup> August 2000. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose. Dividend will be paid on or after Wednesday, 16<sup>th</sup> August 2000.
  - (e) Members are requested to notify immediately any change in their addresses and/or the Bank Mandate details to the Company's Registrars and Share Transfer Agents.
  - (f) Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the depositories and the Company will not entertain any direct request from such members for change/deletion in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form. Members may therefore give instructions regarding bank accounts in which they wish to receive dividend, to their Depository Participants.

By Order of the Board of Directors,  
D G MEHRA  
Whole-time Director

Mumbai, 14<sup>th</sup> June 2000.

### Registered Office :

Bombay House,  
24, Homi Mody Street,  
Mumbai 400 001.

**EXPLANATORY STATEMENTS**

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statements set out all material facts relating to the business mentioned under Item Nos.5 to 13 of the accompanying Notice dated 14<sup>th</sup> June 2000.

**Item No.5 :** In 1992, the Company had issued 14% Partly Convertible Debentures (PCDs) of Rs.500/- each comprising Part A of Rs.300/- being the convertible portion and Part B of Rs.200/- being the non-convertible portion. The Board of Directors forfeited those Equity Shares issued on conversion of Part A of the PCDs as also the Non-convertible Debentures being Part B of the PCDs on which allotment monies remained unpaid in spite of repeated reminders to the holders of these Debentures. The forfeiture included all dividends declared/interest in respect of such Shares/Debentures. As the Equity Shares were forfeited in November 1998, no provision for payment of dividend on the forfeited shares was made in the Accounts for the year ended 31<sup>st</sup> March 1999. However, because of repeated representations received from several shareholders, it was decided to give one last opportunity to the defaulting Members to pay the outstanding amounts together with interest. Some Members have taken advantage of this offer and have paid the monies due to the Company. In January 2000, therefore, the Board waived the forfeiture of those Shares on which the dues had been received. It would, therefore, be necessary to pay the dividend of Rs.3.70 per Share for the year ended 31<sup>st</sup> March 1999 on these Shares, the forfeiture of which has been annulled. The total amount involved for such dividend payment is Rs.7,622/-, a provision for which has been made in the Accounts of the Company.

The Board commends the Resolution for acceptance by the Members.

**Item No.6 :** Shareholders are aware that at the Annual General Meeting of the Company held on 11<sup>th</sup> August 1995, Mr A J Engineer's appointment as a Whole-time Director of the Company was approved for a period of five years from 1<sup>st</sup> September 1995. The present term of Mr Engineer expires on 31<sup>st</sup> August 2000. The Board of Directors has, at its meeting held on 14<sup>th</sup> June 2000, re-appointed Mr A J Engineer as a Whole-time Director of the Company for a period of 2 years with effect from 1<sup>st</sup> September 2000, subject to the approval of the shareholders in General Meeting.

Mr Engineer has been with the Tata Electric Companies for about 16 years. He has been responsible for implementing the major projects of the Companies. He has also been in charge of business development.

The draft Agreement between the Company and Mr Engineer contains the following main terms and conditions :

1. Period From 1<sup>st</sup> September 2000 to 31<sup>st</sup> August 2002.
2. Remuneration A salary scale of Rs.20,000 .....Rs.1,50,000 with authority to the Board to fix his salary within the abovementioned scale from time to time. The annual increment will be merit-based and take into account the Company's performance.
3. Perquisites and Allowances
  - (i) In addition to the salary and commission payable, the Whole-time Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs; medical reimbursement; leave travel concession for himself and his family, club fees; medical insurance and other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr Engineer; such perquisites and allowances to be restricted to 125% of the annual salary.
  - (ii) For the purpose of calculating the above ceiling, the perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, they shall be evaluated at actual cost. Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
  - (iii) Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.



#### 4. Commission

Such remuneration by way of commission, in addition to salary, perquisites and allowances payable, calculated with reference to the net profits of the Company for each financial year, as may be decided by the Board/Committee of Directors of the Company at the end of each such financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956.

The terms and conditions of the said re-appointment and/or Agreement may be varied/enhanced from time to time by the Board of Directors as it may in its discretion deem fit within the maximum amounts payable to managing and whole-time directors as per Schedule XIII to the Companies Act, 1956, or any amendments made hereafter in this regard.

The remuneration and perquisites, payable to the Whole-time Director as above, shall be shared by The Tata Power Company Limited, The Andhra Valley Power Supply Company Limited and The Tata Hydro-Electric Power Supply Company Limited in the ratio of 50:30:20 respectively, as a part of the grid expenditure of the joint power grid of the three Companies.

*The Whole-time Director shall, subject to the supervision and control of the Board of Directors, be entrusted with such powers and perform such duties as may, from time to time, be delegated/entrusted to him.*

If, at any time, the Whole-time Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Whole-time Director in terms of the Agreement and such Agreement shall terminate forthwith.

If the Whole-time Director ceases to be a Whole-time Director, he shall cease to be a Director of the Company.

If the Whole-time Director ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be a Director of the Company.

The Whole-time Director is appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283(1)(l) of the Companies Act, 1956.

*The Whole-time Director shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission nor shall he, so long as he functions as such, become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company without the prior approval of the Central Government.*

The Agreement may be terminated by either party giving to the other party six months' notice or the Company paying six months' remuneration in lieu thereof.

In compliance with the provisions of Section 309 of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the Members in General Meeting for their approval.

The draft Agreement between the Company and Mr Engineer is available for inspection by the Members of the Company at its Registered Office between 11 a.m. and 1 p.m. on any working day of the Company. Mr Engineer is concerned or interested in the Resolution at Item No.6 of the Notice.

This may be treated as an abstract of the draft Agreement between the Company and Mr Engineer pursuant to Section 302 of the Companies Act, 1956.

**Items 7 to 9 :** With a view to augment the resources of the Company to part finance several projects relating to the expansion, modernisation, renovation, replacement and augmentation of the Company's existing generation and transmission facilities and also for diversification and other corporate purposes, it is proposed to issue Preference Shares upto an aggregate nominal value of Rs.300,00,00,000 in one or more tranches, to be privately placed as set out in the Resolution at Item No. 9 of the Notice.

The detailed terms and conditions of the issue including the price, rate of dividend, premium, redemption period, etc. will be determined by the Board of Directors of the Company in consultation with the Lead Managers/Advisors/Consultants and/or depending upon the then prevailing market conditions. If required, the approval of the relevant authorities will be obtained for this proposal.

In order to enable the Company to issue Preference Shares upto the nominal value of Rs.300,00,00,000 as and when deemed fit, it is necessary to increase the Authorised Capital of the Company from Rs.230,00,00,000 to Rs.529,00,00,000 by the reclassification of 1,00,000 – 11% Cumulative Redeemable 'A' Preference Shares of Rs.100 each into 1,00,000 Cumulative Redeemable Preference Shares of Rs.100 each and the creation of 3,00,00,000 Cumulative Redeemable Preference Shares of Rs.100 each. Hence, consequential amendments to Clauses V and VI of the Memorandum of Association and Article 5 of the Articles of Association of the Company, as set out in Resolutions at

**TATA ELECTRIC****Eighty-first annual report 1999-2000****The Tata Power Company Limited**

Item Nos. 7 and 8 of the Notice, are proposed to be made.

The Directors may be deemed to be concerned or interested to the extent of any shares subscribed to by them or by the companies in which they are directors or members.

The Directors commend the Resolutions for acceptance by the Members.

A copy of the Memorandum and Articles of Association of the Company together with the proposed amendments is open for inspection by the Members of the Company at its Registered Office between 11 a.m. and 1 p.m. on any working day of the Company.

**Item Nos.10 and 11:** Your Directors consider it desirable to diversify the activities of the Company into areas other than those in which the Company is presently engaged. After taking into account all relevant factors, the Directors consider it to be in the interest of the Company to enter the field of Internet services and other related activities. These activities are within the scope of the Company's Memorandum of Association. Nevertheless to clarify and amplify the scope of activities that can be undertaken in this field, it is proposed to amend the Memorandum of Association as set out in Resolution at Item No.10 of the Notice.

In accordance with Section 149 of the Companies Act, 1956, it is necessary to obtain the sanction of the Company in General Meeting by a special resolution for the commencement of business not germane to the Company's existing business. Though the proposed activities may be said to be germane to the Company's activities, the Company's sanction is being sought by way of abundant caution. The Directors commend the above proposals to the Members for their approval.

A copy of the Memorandum and Articles of Association of the Company together with the proposed amendments is open for inspection by the Members of the Company at its Registered Office between 11 a.m. and 1 p.m. on any working day of the Company.

**Item No.12:** In terms of Section 224A of the Companies Act, 1956, if not less than 25% of the subscribed capital of a company is held either singly or in combination by public financial institutions, government companies etc., then the appointment or re-appointment of the auditors of that company has to be made by a special resolution.

In the case of the Company, the combined holding of the aforesaid categories of shareholders exceeds 25% of the subscribed capital. Hence, it is necessary to pass a special resolution to re-appoint Messrs. A F Ferguson & Company and Messrs. S B Billimoria & Company as the Auditors of the Company.

The Shareholders' approval is also being sought to authorise the Board of Directors to determine the remuneration payable to the Auditors in consultation with them.

As required under Section 224 of the Act, certificates have been received from the Auditors to the effect that their re-appointments, if made, will be in accordance with the limits specified in Section 224 of the Act.

**Item No.13 :** As Members are aware, the Company together with The Andhra Valley Power Supply Company Limited and The Tata Hydro-Electric Power Supply Company Limited is undertaking several projects/contracts in India as well as outside India mainly for the erection, operation and maintenance of power generation and distribution facilities. To enable the Directors to appoint Branch Auditors/Accountants for the purpose of auditing the accounts of the Company's Branch Offices in India and abroad, the necessary authorisation of the Members is being obtained in accordance with the provisions of Section 228 of the Companies Act, 1956, in terms of the Special Resolution under Item No.13 of the accompanying Notice.

By Order of the Board of Directors,

D G MEHRA  
Whole-time Director

Mumbai, 14<sup>th</sup> June 2000.

**Registered Office :**  
Bombay House,  
24, Homi Mody Street,  
Mumbai 400 001.



## DIRECTORS' REPORT

TO THE MEMBERS,

The Directors hereby present their Eighty-first annual report on the business and operations of the Company and the statement of accounts for the year ended 31st March, 2000.

### FINANCIAL RESULTS

2.	The summarised financial results are :	Rupees	Previous Year Rupees
	The profit before tax and after providing for depreciation amounted to .....	329,61,89,531	244,68,19,509
	Less: Provision for taxation .....	97,59,15,053	83,07,04,330
	Profit after tax and before statutory appropriations .....	232,02,74,478	161,61,15,179
	Less: Statutory appropriations .....	25,22,84,602	15,99,95,571
	Distributable Profit .....	206,79,89,876	145,61,19,608
	which the Directors have appropriated to :		
	(i) Proposed Dividend .....	5,78,28,414	43,00,79,224
	(ii) Interim Dividend .....	42,79,30,264	Nil
	(iii) Net reversal of Dividend for earlier years .....	(63,32,265)	Nil
	(iv) General Reserve .....	75,00,00,000	50,00,00,000
	leaving a balance carried forward of .....	83,85,63,463	52,60,40,384
3.	The Directors declared an interim dividend for the year 1999-2000 at Rs. 3.70 per share on Equity Shares (including 1,37,580 shares not allotted but held in abeyance) (1998-99 Rs. 3.70 per share) .....	42,79,30,264	Nil
	The Directors recommend a final dividend of Re. 0.50 per share, if declared by the shareholders at the Annual General Meeting .....	5,78,28,414	43,00,79,224
	The Directors recommend payment of dividend for the year ended 31st March, 1999 on Equity Shares, which were as on 31st March, 1999 forfeited, which forfeiture was annulled by the Board of Directors on 31st January, 2000. ....	7,622	Nil
	The Directors recommend reversal of dividend for earlier years on shares held in abeyance, not required to be allotted. ..	(63,39,887)	Nil



**TATA ELECTRIC****Eighty-first annual report 1999-2000****The Tata Power Company Limited****4.0 POWER SECTOR OUTLOOK**

During the current year, power sector reforms have been gaining momentum. In order to accelerate the reforms and the ultimate privatisation of the State Electricity Boards (SEBs), the Government of India is introducing a new Electricity Bill 2000. Several States including Maharashtra have initiated the reform process of corporatisation of the SEBs. The Maharashtra Electricity Regulatory Commission has already started functioning. Tata Electric Companies with their past record and experience will therefore be having increasing opportunities for accelerated growth. In the recent past, Tata Electric Companies have grown from being a Maharashtra-based power company supplying Mumbai area, to a national player, presently operating in Karnataka, Bihar and Madhya Pradesh. In the current phase of reforms, Tata Electric Companies will be targetting much larger projects in various States.

**5.0 MERGER**

The Board of Directors has approved a scheme to merge The Andhra Valley Power Supply Company Limited and The Tata Hydro-Electric Power Supply Company Limited with the Company. Based on an independent valuation, the Board approved a swap ratio of 4 shares in The Tata Power Company Limited for every 5 shares in each of The Andhra Valley Power Supply Company Limited and The Tata Hydro-Electric Power Supply Company Limited. The merger will result in a much stronger Balance Sheet, greater leverage for Tata Electric to participate in large projects and from the investors' view point it will also improve liquidity. The change in stamp duty structure facilitated the merger during the current year.

**6.0 PERFORMANCE HIGHLIGHTS**

6.1 The outlook of demand in Mumbai for power generated by Tata Electric is encouraging. Because other generation capacities for Mumbai are fully loaded, further growth in electricity demand of 4-6% per annum in Mumbai will accrue to the Companies. TEC have accelerated their direct marketing initiatives and have set up consumer substations at different load centres in North Mumbai.

6.2 Tata Electric Companies' on-going projects are being implemented to schedule. The refurbishments of the 3x24 MW Hydro Units at Bhivpuri were completed and commissioned during the financial year. The 2x120 MW Units at Jamshedpur are also progressing as per schedule with the first Unit due to be commissioned by December, 2000. The plant and equipment for 80 MW Unit at Belgaum has been delivered at site and the erection activities are progressing to schedule for commissioning by the year-end. The operations of the 67.5 MW Unit at Jamshedpur have also been at a very high level with Plant Load Factor of 91%. Overall, the whole year has been of steady progress for Tata Electric which has contributed to the very good results.

**7.0 CORPORATE HIGHLIGHTS****A) FINANCIAL HIGHLIGHTS**

7.1 The Company proposes to raise additional capital by way of an issue of 3,00,00,000 Cumulative Redeemable Preference Shares of Rs. 100 each.

7.2 The distributable profits for the year were higher at Rs. 207 crores as compared to Rs. 146 crores for the previous year. In the last ten years, the Company has been achieving higher record profits each year, resulting in a compound annual growth of 33%. The Company declared an interim dividend of 37% during the year and has recommended a final dividend of 5%.

7.3 The Companies once again made the returns allowed under the Electricity (Supply) Act, 1948 for the 51st year in succession. Profit from the captive power plants continues to increase due to higher performance levels at Jojobera and Wadi Stations.

7.4 An issue which was unresolved for the last couple of years, was regarding the fair sharing of standby charges. The Government of Maharashtra, through its Order, has directed that your Company and its distribution licensee share the standby charges at the same rates and conditions as charged by MSED to TEC. While awaiting receipt of the payment, the Companies have taken this into account for the year ended 31st March 2000.

7.5 In anticipation of our growth plans, your Companies had raised funds which were, as expected, surplus till absorbed by the Companies' capital expenditure and investment plans. This temporary surplus has been judiciously deployed generating a non-recurring income of Rs. 82 crores through buy-back of Yankee Bonds of U.S. \$ 60 million, purchase and sale of mutual fund units and securities. At the year end, the surplus accumulated generation of previous years have been substantially invested in projects and long-term strategic investments. It is expected that the remaining surplus funds would also be shortly deployed and yield operating income for the Companies.

7.6 The rate of return was delinked from the bank rate for investments made after 1-4-1999 and is pegged at 16% per annum. The Companies are continuing their efforts to delink the rate for the earlier periods also.

7.7 The draft Electricity Bill 2000 has proposed a market-based pricing to be approved by the Regulator as part of the Government's effort to make the power sector a competition driven sector.

7.8 The Companies continue to maintain the highest rating of AAA and LAAA awarded by CRISIL and ICRA respectively for its borrowings. During the year, the Company issued Debentures aggregating to Rs.192.50 crores on private placement basis.

7.9 The total deposits and loans from the public, shareholders and employees outstanding as on 31st March 2000 amounted to Rs.25.01 crores. 1008 deposits amounting to Rs.75.93 lakhs matured, but had not been claimed or renewed by the depositors as on that date. Out of these, 222 deposits amounting to Rs.16.82 lakhs have since been renewed or repaid.

7.10 The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comment.

**B) OPERATIONAL HIGHLIGHTS****7.11 Hydro Power**

Hydro generation of the Companies was at a high of 1613 Million Units (MUs) during the year as compared to 1350 MUs in 1998-99.

At Bhivpuri Generating Station, installation of the three new 24 MW Units of improved efficiency was successfully completed together with the commissioning of a new penstock. This would enable generation of about 25 MUs additional energy every year, from the same amount of water, due to better efficiency of the turbines and lower friction losses in the penstocks.

The first phase of the Kundli Water Augmentation Scheme was also completed and about 23 MUs of additional energy was generated.

### 7.12 Thermal Power

Trombay Thermal achieved a thermal generation of 7360 MUs in 1999-2000 as compared to 7670 MUs in the previous year. The thermal units operated with an overall plant availability of 88.9% as compared to 84% last year.

### 7.13 Power System Improvements

The transmission and distribution losses in the Tata Electric System for the year were again at an all time low of 2.2% (2.3% for the previous year), which indicates a very well designed and maintained System.

The transmission and distribution network was strengthened to maintain the reliability of power supply. The highlights are as under:

An additional 110 kV line between Trombay Thermal Power Station and Parel Receiving Station, using existing 110 kV network, which will enhance the capacity of Parel Receiving Station.

The existing transmission and distribution network has been further strengthened during the year to maintain the reliability of power supply by commissioning of two new sub-stations at Bandra-Kurla Complex and at Bandra-BMC Pumping Station, addition of new high voltage cables, transmission lines, shunt capacitors, SCADA systems, replacement of circuit breakers, etc. at various generating and receiving stations.

### 7.14 Electronic Research and Development

Electronic Research and Development Services forged ahead with the initiation/award of several repeat orders for the supply of Rugged Computers, Fault Tolerant Systems, High Performance Graphics Workstations and Platform Hoisting and Retraction Systems during the year. Orders have also been received from CLW, Indian Railways for the supply of sub-systems for Locomotives.

## 8.0 POWER MARKETING

8.1 The Companies' proposal for setting up a 220 kV Receiving Station at Backbay has been cleared by all Government agencies and construction of the Receiving Station and 220 kV underground transmission lines and fibre optic network from Dharavi Receiving Station to Backbay along the Western side of the city is in an advanced stage.

The 220 kV Receiving Station is scheduled to be commissioned by March 2001 which will enhance the reliability of power supply to South Mumbai, as it would complete the Ring Distribution system for Mumbai city.

### 8.2 Trombay Repowering Project

TEC have submitted a proposal to the Maharashtra Government to re-power their existing two 500 MW multifuel fired Thermal Units by the installation of 2x225 MW Gas Turbines. This project is unique insofar as it offers the users of Mumbai the lowest capital cost for additional power required for Mumbai. Against a norm of about Rs.3 crores per MW, this project will cost only Rs.1.9 crores per MW for an additional generation of 450 MW. Further, it will improve efficiencies of the existing plants and ultimately result in more competitive power tariff. It is also more environment-friendly and being nearest to the city will enable islanding, protecting the consumers from power breakdowns in the Western Grid. The Companies are also actively pursuing opportunities for increasing the distribution business in the State.

## 9.0 GROWTH PLANS

### 9.1 2x120 MW Units at Jojobera Station

A substantial part of the project activities (68%) for Unit II of 120 MW has been completed. Hydro Test of the first Boiler has been successfully done on 24th January 2000. All the materials required for successful commissioning of the Unit by December 2000 are now at Jojobera site and work on all the fronts is progressing satisfactorily.

Drum lifting for the Unit No. III of 120 MW had been successfully done in the month of March 2000 and the first Unit will be commissioned by the year end.

9.2 As already stated earlier, the exercise of re-powering the existing 500 MW Units at Trombay will provide the Mumbai consumer with low cost power by improving the efficiency of the existing Units 5 and 6.

### 9.3 LNG Business

TEC have a long-term strategic interest in the Liquid Natural Gas (LNG) industry as it will offer their Thermal Power Plant at Trombay greater fuel economy, efficiency and is a cleaner fuel from the environmental point of view. It will also provide fuel for re-powering the existing two 500 MW Units. A joint venture company, "India Natural Gas Company Limited" (INDIGAS) with TOTALFINA Elf of France has been formed. A Joint Co-operation Agreement has also been signed with Gas Authority of India Limited (GAIL) for their participation as equal partner in the joint venture company.

### 9.4 Multi-fuel Jetty

After persistent efforts, the Companies have been awarded a Build, Own, Operate and Transfer License by Mumbai Port Trust. The jetty will ensure timely supplies of fuels for Trombay Thermal Power Station. The implementation will be taken up concurrently with the LNG facilities.

### 9.5 1000 MW Mangalore Power Project

The Government of Karnataka has approved TEC's participation as co-promoters (with 30% equity stake) in the 1000 MW Mangalore Power Project (MPC) with China Light & Power- Power International. Efforts are on to evolve a suitable payment security structure for MPC and progress the further development of this major project.

The project is among the eight major projects identified by the Government of India and has several positive features. Firstly, being coal-based, the fuel pricing is more stable. All statutory clearances are in place and the counter guarantee has also been cleared by the Government of India. The Karnataka Government is considering alternate to the escrow mechanism after which the project would be moving forward with greater momentum.

### 9.6 Wadi Station

An additional 110 TPH boiler along with 25 MW Unit 3 is being added to increase the capacity of the existing power plant to 75 MW.

## 10.0 TELECOM AND BROADBAND BUSINESS

TEC are poised to exploit the potential of exponential growth in broadband business in India. The city of Mumbai accounts for 30% of the national e-business traffic. TEC already have a 400 kms. Optic Fibre Network and an additional 1200 kms. Right of Way for further development in Mumbai, which would cover the entire Greater Mumbai including the commercial, residential and industrial centres in the city.

**TATA ELECTRIC****Eighty-first annual report 1999-2000****The Tata Power Company Limited**

TEC will spearhead the Tata Group's thrust into telecom infrastructure and will synergise their activities with other Group companies, to optimally exploit the potential of the Communications and Information Systems Business Sector.

You will see that Tata Electric is aiming to become a much larger national player in the power sector and into interrelated infrastructure like LNG and broadband/communication businesses.

**11.0 TATA GROUP PURPOSE**

Our purpose in TATA is to improve the quality of life in India. Tatas do this through leadership in sectors of National Economic significance to which they bring unique set of capabilities. The heritage of returning to society what we earn evokes Trust among consumers, employees, shareholders and the community. This heritage will be continuously enriched by formalising the high standards of behaviour expected from employees and the Companies. The Tata name is a unique asset representing leadership with Trust. Leveraging this asset to enhance group synergy and become globally competitive is the route to sustained growth and long term success.

**12.0 OUR VALUES**

The five Tata values are :

- a) Integrity
- b) Understanding
- c) Excellence
- d) Unity
- e) Responsibility

**Integrity**

We must conduct our business fairly, with honesty and transparency. Everything we do must stand the test of public scrutiny.

**Understanding**

We must be caring, showing respect, compassion and humanity for our colleagues and customers around the world, and always working for the benefit of India.

**Excellence**

We must constantly strive to achieve the highest possible standards in our day-to-day work and in the quality of the goods and services we provide.

**Unity**

We must work cohesively with our colleagues across the group and with our customers and partners around the world, building strong relationships, based on tolerance, understanding and mutual cooperation.

**Responsibility**

We must continue to be responsible, sensitive to the countries, communities and environments in which we work, always ensuring that what comes from the people goes back to the people many times over.

The name TATA says it all. It encompasses the lowest common Tata denominator - the way others see us

TRUST

ACCEPTABILITY

TRANSPARENCY

ACCOUNTABILITY

**13.0 CORPORATE GOVERNANCE**

The basic philosophy of corporate governance in the Companies is to have fidelity and transparency, keeping in view the needs and interests of other stakeholders. The Companies believe that good corporate practices enable the Board to direct and control the affairs of the Companies in an efficient manner and to achieve their ultimate goal of maximising the stakeholder value. Realising this, the Companies have adopted many practices over the last few years, prior to the same being made mandatory, viz. Constitution of an Audit Committee, Remuneration Committee, etc. The Companies are committed to transparency in all their dealings and to provide better services and place uncompromising emphasis on integrity and regulatory compliance.

The Internal Audit Department reports any significant findings to the Audit Committee comprising of non-executive Directors. The Committee met 5 times during the year to review the audit observations, adequacy of actions taken and followed up implementation of corrective actions. The Committee also met the Companies' statutory auditors to ascertain their views on the adequacy of internal control systems in the Companies.

The Companies have adopted the Tata Code of Conduct which entitles them to use the Tata Brand name. All the officers of the Companies have pledged compliance with the Code of Conduct which prescribes the manner in which the employees will conduct the Companies' business.

**14.0 TATA BUSINESS EXCELLENCE MODEL**

In order to enhance the level of service to our customers and improve the overall organisational performance, the Companies have been following the JRD QV Business Excellence Model since 1995. The Tata Quality Management Services (TQMS), a division of Tata Sons Ltd., conducts the assessment of all companies in the group on the basis of this model. There has been a steady improvement in our performance.

**15.0 YEAR 2000 (Y2K) COMPLIANCE**

The proactive steps taken by the Companies ensured that there was no disruption to its computer systems at the time of roll over to the year 2000.

**16.0 DEPOSITORY SYSTEM**

In line with the Company's constant endeavour to provide best possible services to the Shareholders, the Equity Shares of the Company effective 29-10-1999 are now also available for dematerialisation under the depository system operated by Central Depository Services (India) Ltd. in addition to National Securities Depository Ltd. The Shareholders can now have the benefit of multiple depository system in the country.

**17.0 TECHNOLOGY ABSORPTION**

17.1 22 kV/11 kV Ring Main Units have been installed at consumer nodes for improving reliability of distribution.

17.2 Programmable logic controllers have been used for automation of new 3 x 24 MW hydro units at Bhivpuri.

**18.0 ENERGY CONSERVATION, ENVIRONMENT PROTECTION AND COMMUNITY DEVELOPMENT**

18.1 As a result of replacement of old 12 MW Units by new and more efficient 24 MW Units at Bhivpuri Hydro Generating Station, the efficiency of the Generating Station has increased by about 8%. Similar work is in progress at Khopoli Generating Station.



18.2 The Companies have always been conscious about the environment protection and the community development programmes in their area of operation. The Companies have undertaken eco-restoration and eco-development programme in the catchment areas of their lakes in Mawal and Mulshi Talukas which are located in the ecologically fragile and sensitive areas of Western Ghats and are considered to be the hot spots of Bio-diversity. Over the past 30 years, the Companies have planted over 70 lakhs saplings of 60 tree species on the hill slopes in the catchment areas. It is planned to plant a further 5.2 lakhs saplings during the monsoon of 2000 in the lake catchment areas. The above programme of afforestation was intensified in 1995 and the Companies have been planting over 6 lakhs trees mainly evergreen and indigenous species under the guidance of an expert committee. The surrounding hills have not only become green and aesthetically picturesque but also attracting different species of birds and animals.

18.3 The Companies are conducting a comprehensive School Environment Education Programme with the help of Bharti Vidyapeeth Environment Education and Research Institute, Pune. This non-formal environment education programme is designed to bridge the gap between the syllabus, the classroom teaching and real life issues related to environment concerns. This has helped to develop among the student community the new values pertaining to conservation of natural resources. The Companies also conduct workshops for capacity building in teachers for imparting environment education.

Establishment of an Environment Interpretation Centre to create general awareness in people is under consideration.

Conservation of endangered species of flora and fauna, distribution of fruit trees and providing fingerlings of fast growing fish species free of cost to village panchayats to augment the village income, improve the quality of water of village ponds and to create employment opportunities, provision of drinking water for the panchayats from the Companies' Lakes and by tankers and bullock carts to drought prone villages on request from the Government, construction of Primary schools and providing medical aid in rural areas by organising medical camps with the help of Doctors of Rotary Club are some of the activities undertaken by the Companies for the environmental protection and community development.

## 19.0 TRAINING AND HUMAN RESOURCE DEVELOPMENT

19.1 The Training and Human Resource Development functions have been re-aligned to the organisation's overall business plans, in order to meet the current and future challenges facing the organisation. Training programmes have been restructured with a renewed focus to orient employees to the changing environment and growing competition. Employee Satisfaction Survey and 360 Degree Feedback processes have been introduced to identify areas for improvement in the organisation and its human resources effectively.

### 19.2 The Driving Force

People have always been Tata Electric's greatest asset, and the industrial harmony amidst their employees and the Companies' Union, has enabled the Companies to face and overcome many challenges several times. A long-term agreement was signed with the Union during the year. This spirit will enable the Companies to continue to play a significant role in the development of our nation.

## 20.0 FOREIGN EXCHANGE EARNINGS/OUTGO

Foreign exchange earnings of the Company amounted to Rs.53 crores in the year under review, whereas the outgoings during the year were Rs.390 crores, mainly on account of purchase of equipment, repayment of foreign currency loans and interest thereon and fuel purchases of Rs.241 crores.

## 21.0 SAFETY

The overall approach to safety has been made more scientific in terms of introduction of safety audit by external agency, regular training programmes on first aid, general safety and fire fighting and installation of gas leakage detection system in the gas handling zones at Trombay. The compliance of safety both statutory or otherwise is critically monitored.

## 22.0 DISCLOSURE OF PARTICULARS

22.1 Particulars required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the prescribed format as Annexure I to the Directors' Report.

22.2 Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, regarding employees is given in Annexure II to the Directors' Report.

## 23.0 DIRECTORS

23.1 Dr S Ganguly stepped down as Vice-Chairman of the Company. He also resigned from the Board of the Company with effect from 9th June 1999. The Board placed on record its appreciation of the valuable contribution made to the Company by Dr Ganguly.

23.2 The Directors record their deep sense of sorrow on the death of Mr S R Vakil on 8th September 1999. Mr Vakil had been associated with the Companies as a Director for 30 years.

Endowed with keen intellect and mature judgement, Mr Vakil was well-known and respected in the legal field. The Board placed on record its appreciation of the valuable contribution made to the Companies by Mr Vakil.

23.3 In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Mr H N Sethna and Mr C P Mistry retire by rotation and are eligible for re-appointment.

## 24.0 SUBSIDIARY

Statement pursuant to Section 212 of the Companies Act, 1956 in respect of Jamshedpur Power Company Limited, a subsidiary of the Company, is separately given in this Report.

## 25.0 AUDITORS

25.1 Members will be requested as usual to appoint Auditors and to authorise the Board of Directors to fix their remuneration. In this connection, the attention of the Members is invited to Item No. 12 of the Notice and its relative Explanatory Statement.

25.2 Members will also be requested to pass a resolution (vide Item No. 13 of the Notice) authorising the Board of Directors to appoint Auditors/Branch Auditors/Accountants for the purpose of auditing the accounts maintained at the Branch Offices of the Company in India and abroad.

On behalf of the Board of Directors,

RATAN N. TATA  
Chairman

Mumbai, 14th June, 2000.

TATA ELECTRIC

Eighty-first annual report 1999-2000

The Tata Power Company Limited

ANNEXURE I TO THE DIRECTORS' REPORT

FORM B

Form for disclosure of particulars with respect to technology absorption

Research & Development (R&D)

- |   |  |
|---|--|
| 1. Specific areas in which R&D carried out by the Company | : Electronic Systems and Software Development.   |
| 2. Benefits derived as a result of the above R&D          | : Indigenous capabilities towards providing optimal, custom-designed hardware and software solutions for the Industry.   |
| 3. Future Plan of Action                                  | : (a) Offer Design and Consultancy Services in Hardware and Software.<br>(b) Implement a major initiative towards seeking global opportunities in System Software. |
| 4. Expenditure on R&D:                                    | (Rs. lakhs)  |
| (a) Capital   | : 10.65  |
| (b) Recurring   | : 41.33  |
| (c) Total   | : 51.98  |

Technology absorption, adaptation and innovation

- |   |  |
|---|--|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation   | : Implementation of IEEE 12207 standards and use of Case Tools for establishing an advanced software design, development and documentation Organisation. |
| 2. Benefits derived as a result of the above efforts  | : Core Competencies in servicing global software opportunities.  |
| 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished : |  |
| a) Technology imported  | : None   |
| b) Year of import   | : NA   |
| c) Has technology been fully absorbed ?   | : NA   |
| d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action   | : NA   |



## ANNEXURE II TO THE DIRECTORS' REPORT

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975.

Sr. No.	Name	Age (Years)	Designation and Nature of duties	Remuneration		Qualification	Experience (Years)	Date of Commencement of employment	Last employment held and designation
				Gross Rs.	Net Rs.				
1	AGARWAL S P	59	DY.GEN MANAGER (ENGG)	608,696	391,359	B.E.(ELEC.)	35	01/04/65	—
2	AIYYAR R S	57	DY.GEN MANAGER (GEN. STATION)	631,744	404,488	B.SC.(ENGG.)(ELEC.)	34	01/08/65	—
3	BALIGA C (MRS)	56	GENERAL MANAGER (PROJECTS)	806,285	506,886	B.E.(ELEC.), M.I.E.	34	01/07/66	PETBOW LTD. U.K. (TRAINEE DESIGN ENGINEER) GARNER & WEIL (I) LTD. (ASST. ENGINEER)
4	BASHIR A (DR)	47	GENERAL MANAGER (R & D)	647,923	424,456	B.E.(ELEC.), M.TECH.(ELEC.) Ph.D (ELEC.)	30	01/07/77	—
5	BHAVE A V	59	GENERAL MANAGER (THERMAL)	757,734	483,567	B.SC.(ENGG.)(MECH.)	33	01/07/66	—
6	BUCH A S	55	ASST.GEN MANAGER (REC. STATION)	654,503	422,913	B.E.(ELEC.)	30	02/10/69	—
7	CHANDRASHEKAR K	46	DY.GEN MANAGER (PROJECTS)	658,019	457,565	B.TECH.(ELEC.) M.TECH.(ELEC.)	23	02/05/97	GRASIM (I) LTD. (GENERAL MANAGER)
8	CHATI K D	59	DY.GEN MANAGER (PROJECTS)	715,055	460,480	B.Sc.(ENGG.)(MECH.)	36	26/10/64	ATUL PRODUCTS LTD. (ASST ENGINEER)
9	DORAI V *	60	SR. GENERAL MANAGER (THERMAL)	493,436	195,907	B.E.(ELEC.), M.E.(POWER), CE, ME, MIEEE	37	03/12/62	—
10	ENGINEER A J	62	VICE-PRESIDENT & WHOLE-TIME DIRECTOR	3,169,911	1,998,364	B.E.(CIVIL), C.ENGG., FIE, AIIA	42	11/10/84	INDIAN EXPLOSIVES LTD. (CONSTRUCTION MANAGER) JYOTI LIMITED (ENGINEER)
11	GANGAKHEDKAR S S	57	ASST.GEN MANAGER (ENGG.)	603,450	399,150	B.E.(ELEC.), M.TECH.(ELEC.)	32	29/02/68	—
12	GUPTA N K	56	DY.GEN MANAGER (PROJECTS & MARKETING)	608,285	384,415	B.SC. (ENGG.) (ELEC.), FIE (INDIA), CE	33	19/10/66	—
13	HOZDAR M K (Mrs) *	60	DY. GEN. MANAGER (CORPORATE FINANCE)	442,752	323,313	M.A., B.COM., LLB	38	20/03/62	—
14	JOGLEKAR P K	56	ASST.GEN MANAGER (CONSTRUCTION)	622,831	406,430	B.SC.(ENGG) (ELEC.), DBM	33	15/11/67	ELECTRIC CONST.& EQUIPMENT CO.LTD. (SITE ENGINEER)
15	KALEY V D	56	ASST.GEN MANAGER (REC. STATION)	605,764	406,497	B.E.(ELEC.)	34	04/01/66	—
16	KAMAT D B	57	ASST.GEN MANAGER (GEN. STATION)	638,093	415,042	B.E. (ELEC.), D.E.E.	32	01/11/67	—
17	KANGAR K	40	GENERAL MANAGER (FINANCE)	712,519	471,929	B.COM. (HONS.), ACA	17	02/05/97	SAURASHTRA CEMENT LTD. (GEN. MANAGER -CORPFINANCE)
18	KARKHANIS S R	55	ASST.GEN MANAGER	640,500	413,049	D.E.E., B.E. (ELEC.)	33	17/11/66	—
19	KHANOLKAR S M	55	DY.GEN MANAGER (CIVIL)	642,165	413,647	B.E. (CIVIL) (HONS) MGS, PG. CIVIL ENGR. FIE	33	01/06/74	TATA CONSULTING ENGINEERS (ASST. CIVIL ENGINEER)
20	MADAYA B B	56	ASST.GEN MANAGER (ENGG.)	626,304	400,776	B.E.(MECH.)	34	08/04/68	TATA EBASCO CONSULTING SERVICES (DIRECTOR ASST.)
21	MATHUR V C	55	DY.GEN MANAGER	615,219	387,406	B.SC. (ENGG.)(ELEC.), PG. IN ELEC. ENGG.	29	01/10/70	—
22	MEHRA D G	62	VICE-PRESIDENT & WHOLE-TIME DIRECTOR	2,987,274	1,887,047	B.E. (ELEC.)	41	16/08/58	—
23	MEHTA A M (DR.)	52	CHIEF MEDICAL OFFICER	664,577	430,550	MBBS, DIM	28	16/10/76	GRANT MEDICAL COLLEGE (LECTURER)
24	MEHTA G D	55	ASST.GEN MANAGER (CONSTRUCTION)	635,328	413,401	L.E.E., L.M.E.	29	01/01/71	—
25	MURALIDHARAN R *	45	SR. MANAGER (R&D)	512,268	326,626	B.SC. (ENGG.)(MECH.), M.TECH., COMPSCIENCE	20	15/02/80	—
26	NARASIMHAN I (Mrs)	54	DY.GEN MANAGER (MAINTENANCE)	688,700	444,548	B.E.(ELEC.), M.E.(ELECTRONICS&MECHANICS)	34	01/02/67	GOVT. ENGINEERING COLLEGE, PUNE (ASST. LECTURER)
27	PAL S D	48	SR. MANAGER (REC. STATION)	600,867	408,660	B.E.(ELEC.)	25	01/06/74	—
28	PALEKAR P B	58	DY.GEN MANAGER (TROMBAY-ADMIN)	611,639	396,750	D.E.E.	35	02/11/93	THE TATA OIL MILLS COMPANY LIMITED (SR. MANAGER)
29	RAMACHANDRAN S K	58	CHIEF LOAD DESPATCHER	605,329	406,994	B.SC. (ENGG.)(ELEC.), MIE	31	01/10/66	MPSEB (GRAD. ENGR. TRAINEE)
30	SABBERWAL B P (DR)	58	EXECUTIVE IN CHARGE (E R)	742,726	475,192	B.SC.(ENGG.)(MECH.), M.SC.(TECH.), Ph.D (MANCHESTER)	33	01/04/97	TISCO (ASST. GEN. MANAGER)
31	SAHNI A M	62	VICE-PRESIDENT & WHOLE-TIME DIRECTOR- THE TATA HYDRO-ELECTRIC POWER SUPPLY CO. LTD.	3,245,601	2,053,982	B.E.(ELEC.), C.ENGR(INDIA), FIE	41	20/11/61	ASSOCIATED ELEC. INDUSTRIES UK (GRADUATE TRAINEE)
32	SHENOLIKAR S T *	60	DY. GENERAL MANAGER (CIVIL)	288,325	183,949	B.E. (CIVIL)	37	01/10/84	B.A.R.C. (SR. ENGINEER)
33	SINGH JASINDER	60	DY. GENERAL MANAGER (REC. STATIONS)	651,566	416,767	B.E. (ELEC.), M.E. (ELECTRONICS)	36	01/02/66	AMINCHAND PYARELAL STRUCTURES LTD. (SITE ENGINEER)
34	SONALKAR S M	52	ASST.GEN MANAGER (PERSONNEL)	666,819	426,069	B.SC., MA (PERSONNEL MGMT & LABOUR WELFARE), LLB (GEN)	33	19/09/97	TATA EXPORTS LTD. (HEAD PERSONNEL & HRD)
35	SUVARNA B S	57	COMPANY SECRETARY - THE ANDHRA VALLEY POWER SUPPLY CO. LTD.	632,495	452,888	B.A. (HONS.), LL.M., DBM, FCS, PG, CERT. IN BUSINESS MGMT.	38	18/10/84	MAHINDRA & MAHINDRA LTD. (SECRETARIAL EXECUTIVE)
36	VANVARIA S K	60	DY. GENERAL MANAGER (PROJECTS)	700,446	457,259	B.E.(ELEC.), M.I.E.E.E., A.M.I.E., A.M.I.M.I.	35	13/01/65	—
37	VENKATARAMAN S	55	COMPANY SECRETARY - THE TATA HYDRO-ELECTRIC POWER SUPPLY CO. LTD.	700,794	464,421	B.Sc.(HONS) LL.M., FCS	34	24/10/80	UNION BANK OF INDIA (LAW OFFICER)
38	VEVAINA C R	50	VICE-PRESIDENT & WHOLE-TIME DIRECTOR - THE ANDHRA VALLEY POWER SUPPLY CO. LTD.	3,425,547	2,131,289	B.COM., FCA AMP (HARVARD)	26	19/07/94	INDIAN ORGANIC CHEMICALS LTD. (PRESIDENT - FINANCE)

\*Employed for part of the year

- Notes:
- (1) Gross remuneration comprise salary, allowances, monetary value of perquisites, commission to Directors and the Company's contribution to Provident and Superannuation Funds.
  - (2) Net remuneration is after tax and is exclusive of Company's contributions to Provident and Superannuation Funds and monetary value of cash perquisites.
  - (3) In addition to the above remuneration, the employees are also entitled to gratuity, health insurance and medical benefits etc. in accordance with the Company's rules.
  - (4) All employees are jointly employed with The Andhra Valley Power Supply Company Limited and The Tata Hydro-Electric Power Supply Company Limited.
  - (5) The nature of employment in all cases is contractual.
  - (6) All the employees have adequate experience to discharge the duties assigned to them.
  - (7) None of the employees listed above is a relative of any Director of the Company.

On behalf of the Board of Directors  
RATAN N. TATA  
Chairman

Mumbai, 14th June, 2000.

TATA ELECTRIC

Eighty-first annual report 1999-2000

The Tata Power Company Limited

FINANCIAL STATISTICS

BALANCE SHEET

(In lakhs of Rupees)

As on	Capital	Shareholders' Reserves	Statutory Reserves	Borrowings	Gross Block	Depreciation	Net Block	Investments	Debt/Equity Ratio
31-3-1991	2125.66	3893.56	17070.00	35665.05	57815.89	8049.59	49766.30	2927.36	1.54:1
31-3-1992	2125.66	4621.56	18789.51	62017.36	86599.65	9466.89	77132.76	4496.92	2.43:1
31-3-1993	4947.39	12748.18	22864.52	71944.17	111700.76	11680.22	100020.54	5606.51	1.77:1
31-3-1994	6751.72	29683.23	29392.15	80435.30	133028.08	14021.43	119006.65	16380.53	1.22:1
31-3-1995	10901.99	58451.24	35093.58	91350.29	149367.63	19244.47	130123.16	49515.58	0.87:1
31-3-1996	10900.30	63615.13	49008.59	78120.81	149315.99	26583.24	122732.75	55626.07	0.63:1
31-3-1997	11506.25	79807.22	51159.46	70605.79	164183.25	34184.35	129998.90	61303.82	0.50:1
31-3-1998	11522.26	89993.68	52459.77	112590.60	174736.27	43164.33	131571.94	106902.81	0.73:1
31-3-1999	11544.68	100601.54	54689.77	122593.69	189508.66	52370.13	137138.53	120814.67	0.73:1
31-3-2000	11554.22	116844.31	57260.37	124800.58	204121.32	62218.91	141902.41	135491.94	0.67:1

PROFIT AND LOSS ACCOUNT

(In lakhs of Rupees)

Year	Gross Revenue	Cost of Power Purchased	Operation Expenses (incl. fuel)	Depreciation	Interest	Taxes	Statutory Appropriations	Distributable Profits	Retained Profits	Dividends	Rate of Equity Dividend (%)
1990-91	47650.83	12826.96	26930.54	1429.26	3000.08	—19.03	2481.00	1002.02	583.55	418.47	20
1991-92	55960.74	15328.70	32064.77	1464.84	4453.94	—	1557.00	1091.49	673.02	418.47	20
1992-93	77222.09	22868.10	39874.55	2234.30	5294.47	224.10	3837.66	2888.91	2174.57	714.34	25
1993-94	96672.40	34503.95	43390.29	2562.71	6648.28	—29.32	5273.42	4323.07	2795.26	1527.81	28
1994-95	108972.42	28603.39	53900.14	5534.46	8203.94	779.78	4536.99	7413.72	4600.92	2812.80	30
1995-96	124370.55	14802.94	63005.16	7456.08	7888.10	8918.35	13807.30	8492.62	4622.30	3870.32	35
1996-97	126235.77	17007.33	73773.77	7722.58	7570.64	8755.84	683.38	10722.23	6850.27	3871.96	35
1997-98	130835.67	15553.85	72450.58	9170.20	8831.38	8796.32	1708.05	14325.29	10023.58	4301.71	37
1998-99	126870.36	17230.66	65821.48	9460.95	9889.07	8307.05	1599.95	14561.20	10260.41	4300.79	37
1999-00	157093.30	18687.44	84930.52	10059.76	10453.68	9759.15	2522.85	20679.90	15885.64	4794.26*	42

\* Including net reversal of provision for dividend for earlier years Rs. 63.32 lakhs.

IMPORTANT RATIOS

(for the year ended 31st March, 2000)

Sales/Total Fixed Assets	0.68:1
Operating Profit/Capital Employed	18%
Return On Network	17%
Profit/Sales	15%



## AUDITORS' REPORT

### TO THE MEMBERS OF

### THE TATA POWER COMPANY LIMITED

We have audited the attached Balance Sheet of THE TATA POWER COMPANY LIMITED as at 31st March, 2000 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto. As the Company is governed by the Electricity (Supply) Act, 1948, the provisions of the said Act have prevailed wherever they have been inconsistent with the provisions of the Companies Act, 1956.

Subject to the foregoing remark, we report that:—

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:—
  - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books;
  - (c) the Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account;
  - (d) (i) for the purposes of computations of "Capital Base" and "Clear Profit" under the Sixth Schedule to the Electricity (Supply) Act, 1948, for the year, approval of the State Government has not yet been obtained in respect of Special Appropriation towards Project Cost of Rs. 588.69 lakhs for the year appropriated in advance as referred to in Note 6 of the Notes forming part of the Accounts.
  - (ii) "Reasonable Return" has been computed in terms of the Sixth Schedule to the Electricity (Supply) Act, 1948 in the manner indicated in Note 7 of the Notes forming parts of the Accounts.
  - (iii) in the event of approval of the State Government not being obtained for the matter referred to in sub-paragraph (i) above, or any adjustment becoming necessary for the matter referred to in sub-paragraph (ii) above, the computations of "Capital Base" and "Clear Profit" will have to be revised for the year as necessary. In the event of such revision and the consequential recomputation of "Reasonable Return", the appropriation to Consumers Benefit Account and Statutory Reserves for the year may need revision. It is not possible to quantify this revision until the matter referred to above is resolved.
  - (iv) as stated in Note 3(a) of the Notes forming part of the Accounts, financing costs related to borrowings attributable to the acquisition and construction of fixed assets have not been capitalised as required by Accounting Standard 10 (AS-10) issued by The Institute of Chartered Accountants of India, (the effect of which has not been determined by the Management) but have been charged to the Profit and Loss Account consistent with the treatment adopted for the determination of "Capital Base" and "Clear Profit" under the Electricity (Supply) Act, 1948.
  - (v) as stated in Note 3(b) of the Notes forming part of the Accounts, exchange differences arising on repayment/realignment of liabilities incurred for the purpose of acquiring fixed assets, which are carried in terms of historical cost, have not been adjusted in the carrying amount of fixed assets as required by Accounting Standard 11 (AS-11) issued by The Institute of Chartered Accountants of India, (the effect of which has not been determined by the Management) but are being recognised in the Profit and Loss Account over the period of repayment of liabilities [as stated in Note 1(a)(ii)] consistent with the treatment adopted for the determination of "Capital Base" and "Clear Profit" under the Electricity (Supply) Act, 1948.
  - (vi) subject to the matters referred to in paragraphs (d)(iv) and (d)(v) above, in our opinion, the Balance Sheet and the Profit and Loss Account comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - (vii) subject to the matters referred to in paragraphs (d)(i) to (d)(v) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:—
    - (1) in the case of the Balance Sheet, of the state of the Company's affairs as at 31st March, 2000 and
    - (2) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

For S. B. BILLIMORIA & CO.  
Chartered Accountants,

Y. H. MALEGAM  
Partner.

Mumbai, 14th June, 2000.

For A. F. FERGUSON & CO.  
Chartered Accountants,

R. A. BANGA  
Partner.



**TATA ELECTRIC**

Eighty-first annual report 1999-2000

**The Tata Power Company Limited****ANNEXURE TO THE AUDITORS' REPORT****Referred to in paragraph 1 of our report of even date**

- (1) In respect of fixed assets, the Company has maintained proper records showing full particulars including quantitative details and situation in most cases of such assets. As explained to us, the assets have been physically verified by the Management, in accordance with the established system of periodical verification of fixed assets once in two years. In our opinion, the frequency of verification is reasonable, considering the size of the operations of the Company. Discrepancies noticed on verification were not material and the same have been properly dealt with in the books of account.
- (2) None of the fixed assets have been revalued during the year.
- (3) As explained to us, the stock of finished goods, stores and spare parts have been physically verified during the year by the Management under a perpetual inventory system, except for coal which was verified at the end of the year. In our opinion the frequency of verification was reasonable.
- (4) According to the information and explanations given to us, in our opinion, the procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business, except that (apart from one location) verification under the perpetual inventory system is carried out by the custodians. In our opinion, it would be preferable if verification was made by persons who do not have responsibility for custody.
- (5) The discrepancies noted on verification between the physical stocks and book records were not material, having regard to the size of the operations of the Company.
- (6) In our opinion and on the basis of our examination of the stock records, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- (7) The Company had granted loans aggregating to Rs. 895.73 lakhs to Tata Ceramics Ltd. and interest accrued and due thereon aggregating to Rs. 172.76 lakhs to Tata Ceramics Ltd., which loans and interest have during the year been converted into Preference Shares / Advances towards investment in Preference Shares. Reference in this connection is invited to paragraph 8(a) (ii) below. Apart from this, the Company has not taken or granted any loans, secured or unsecured, from/to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or from/to companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956 where the rate of interest and other terms and conditions are, in our opinion, *prima facie* prejudicial to the interest of the Company.
- (8)
  - (a) (i) In respect of a loan of Rs. 82.50 lakhs to a company, no repayment schedule has been prescribed and no recovery has been made during the year. Recovery of interest has been made as stipulated.
  - (ii) In respect of loans to and deposits with other companies aggregating to (before recovery during the year) Rs. 1990.21 lakhs, the loans are stated to be at call and no due dates for repayment have been stipulated. During the year, an amount of Rs. 1297.74 lakhs has been recovered/adjusted against such loans and deposits. Interest recovered/adjusted during the year aggregates to Rs. 201.61 lakhs and the amount of interest accrued as at 31st March, 2000 aggregates to Rs. 88.45 lakhs. These loans include loans to Tata Ceramics Ltd., in respect whereof reference is invited to Note 11 of the Notes forming part of the Accounts, interest whereon for the year has been waived.
  - (iii) An inter corporate deposit of Rs. 18.18 lakhs given to Natural Plant Products India Limited, for which no recovery of principal or interest has been made, has been fully provided for during the year.
- (b) In respect of loans to employees, where repayment terms have been stipulated, the payment of interest and repayment of principal have generally been as stipulated.
- (c) In respect of other loans granted by the Company, repayment of principal has been as stipulated and the payment of interest has been regular except in a few cases where collection was delayed.
- (9) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of a special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of stores, components, plant and machinery, equipment and other assets, and for the sale of goods.

- (10) In our opinion and having regard to our comments in para (9) above, and according to the information and explanations given to us, where transactions have been made with different parties, the transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more in respect of each party have been made at prices which are reasonable, having regard to the prevailing market prices for such goods, materials or services where such market prices are available or the prices at which transactions for similar goods or services have been made with other parties.
- (11) As explained to us, unserviceable or damaged stores are determined by the Management and adequate provision has been made in the accounts for the loss so determined.
- (12) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- (13) The Company does not have any by-product. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of scrap.
- (14) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (15) The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of the products of the Company.
- (16) We are informed by the Company that the Employees' State Insurance Act, 1948 (ESI), is applicable only to certain locations of the Company. Contributions deducted/accrued in respect of such locations, as also Provident Fund dues in respect of all locations, have generally been regularly deposited during the year with appropriate authorities and there were no arrears of such dues at the year end.
- (17) According to the information and explanations given to us, there were no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty which have remained outstanding as at 31st March, 2000, for a period of more than six months from the date they became payable.
- (18) According to the information and explanations given to us and the records of the Company examined by us, no personal expenses have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
- (19) The Company is not a sick industrial company within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- (20) In connection with the Company's business of providing services, we report that, commensurate with the size of the Company and the nature of its business, in our opinion:—
- the Company has a reasonable system of recording receipts, issues and consumption of materials and stores and such a system provides for the allocation of the materials consumed to the relative jobs,
  - the Company has a reasonable system which provides for the allocation of man-hours utilised to the relative jobs,
  - there is a reasonable system of authorisation at proper levels and adequate system of internal control on the issue of stores and allocation of stores and labour to jobs.

For S. B. BILLIMORIA & CO.  
Chartered Accountants,

Y. H. MALEGAM  
Partner.

Mumbai, 14th June, 2000.

For A. F. FERGUSON & CO.  
Chartered Accountants,

R. A. BANGA  
Partner.

**TATA ELECTRIC**

Eighty-first annual report 1999-2000

**The Tata Power Company Limited****Balance Sheet as at 31st March, 2000**

<b>FUNDS EMPLOYED :</b>	<b>Schedule</b>		<b>Rupees</b>		<b>As at 31-3-1999</b>
	<b>No.</b>	<b>Page</b>		<b>Rupees</b>	<b>Rupees</b>
1. SHARE CAPITAL .....	'A'	22		115,54,21,734	115,44,68,366
2. RESERVES AND SURPLUS .....	'B'	22		1489,86,25,897	1319,52,36,035
3. SPECIAL APPROPRIATION TOWARDS PROJECT COST .....				230,55,47,127	213,21,73,560
4. CAPITAL CONTRIBUTIONS FROM CONSUMERS .....				20,62,95,525	20,17,21,629
5. SECURED LOANS .....	'C'	24		624,31,25,260	496,86,74,502
6. UNSECURED LOANS .....	'D'	26		623,69,32,772	729,06,94,666
7. TOTAL FUNDS EMPLOYED .....				<u>3104,59,48,315</u>	<u>2894,29,68,758</u>
<b>APPLICATION OF FUNDS :</b>					
8. FIXED ASSETS	'E'	26			
Gross Block .....			1637,42,56,964		1515,98,72,333
Less : Depreciation to date .....			<u>622,18,91,422</u>		<u>523,70,12,702</u>
				1015,23,65,542	992,28,59,631
Capital Work-in-Progress (including advances against capital expenditure) .....				241,10,67,895	210,26,33,528
Increase in foreign currency liabilities (net) for purchase of capital assets .....			311,88,77,870		290,73,09,529
Less : Amount written off to date .....			<u>149,20,70,508</u>		<u>121,89,50,035</u>
				162,68,07,362	168,83,59,494
				1419,02,40,799	1371,38,52,653
9. INVESTMENTS .....	'F'	27		1354,91,93,795	1208,14,66,792
10. CURRENT ASSETS, LOANS AND ADVANCES	'G'	29			
Current Assets .....			Rs. 461,06,69,287		421,26,87,554
Loans and Advances .....			Rs. 442,64,86,790		302,97,78,807
				903,71,56,077	724,24,66,361
Less:					
11. CURRENT LIABILITIES AND PROVISIONS	'H'	30			
Current Liabilities .....			Rs. 430,38,72,980		246,39,47,412
Provisions .....			Rs. 145,72,24,403		166,85,52,647
				<u>576,10,97,383</u>	<u>413,25,00,059</u>
12. NET CURRENT ASSETS .....				327,60,58,694	310,99,66,302
13. MISCELLANEOUS EXPENDITURE (to the extent not written off) .....	'I'	30		3,04,55,027	3,76,83,011
14. TOTAL APPLICATION OF FUNDS .....				<u>3104,59,48,315</u>	<u>2894,29,68,758</u>
<i>Notes — Pages 35 to 40.</i>					

As per our report attached.

For and on behalf of the Board,

For S. B. BILLIMORIA & CO.  
Chartered Accountants,For A. F. FERGUSON & CO.  
Chartered Accountants,R. N. TATA  
Chairman.Y. H. MALEGAM  
Partner.R. A. BANGA  
Partner.B. J. SHROFF  
Secretary.D. G. MEHRA  
Director.

Mumbai, 14th June, 2000.

Mumbai, 14th June, 2000.





## Profit and Loss Account for the year ended 31st March, 2000

	Schedule No.	Page	Rupees	Rupees	Previous Year Rupees
<b>INCOME :</b>					
1. REVENUE FROM POWER SUPPLY [See Note 28(a)] .....			1380,06,74,865		1139,85,43,452
Less: Cash Discount .....			2,52,83,921		2,47,82,368
			1377,53,90,944		1137,37,61,084
Add : Wheeling Charges recoverable .....			12,06,32,279		14,12,09,718
				1389,60,23,223	1151,49,70,802
2. OTHER INCOME .....	1	31	181,33,06,469		117,20,65,563
3. TOTAL INCOME .....			1570,93,29,692		1268,70,36,365
<b>EXPENDITURE :</b>					
4. COST OF POWER PURCHASED [See Note 28 (b)] .....			186,87,44,343		172,30,65,984
5. COST OF FUEL .....			585,49,01,282		415,72,85,076
6. GENERATION, DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES .....	2	32	225,12,79,277		203,88,41,444
7. TAX ON SALE OF ELECTRICITY .....			11,37,50,194		9,23,72,675
8. DEPRECIATION .....			100,59,76,459		94,60,94,828
9. AMOUNT WRITTEN OFF IN RESPECT OF NET INCREASE IN FOREIGN CURRENCY LIABILITIES FOR PURCHASE OF CAPITAL ASSETS .....			27,31,20,473		29,36,49,664
10. INTEREST .....	3	33	104,53,68,133		98,89,07,185
11. TOTAL EXPENDITURE .....			1241,31,40,161		1024,02,16,856
<b>PROFIT BEFORE TAXES AND STATUTORY APPROPRIATIONS</b> .....			329,61,89,531		244,68,19,509
12. PROVISION FOR TAXATION (excluding amount debited to Debenture Redemption Reserve Rs. Nil — Previous Year Rs. 1,33,84,309 and Contingencies Reserve No. 1 Rs. 24,878 — Previous Year Rs. Nil) .....			91,27,43,500		78,86,60,000
13. SHORT/(EXCESS) PROVISION FOR TAXATION IN RESPECT OF EARLIER YEARS (including excess provision for Wealth Tax Rs. 1,45,884 — Previous Year Rs. 3,68,660) ...			25,22,973		(61,84,385)
14. ADDITIONAL INCOME-TAX ON DIVIDEND .....			5,97,94,580		4,73,08,715
15. PROVISION FOR WEALTH TAX .....			8,54,000		9,20,000
<b>PROFIT AFTER TAXES AND BEFORE STATUTORY APPROPRIATIONS</b> .....			232,02,74,478		161,61,15,179
16. STATUTORY APPROPRIATIONS .....	4	34	25,22,84,602		15,99,95,571
<b>DISTRIBUTABLE PROFITS</b> .....			206,79,89,876		145,61,19,608
<b>APPROPRIATIONS :</b>					
17. PROPOSED DIVIDEND .....			5,78,28,414		43,00,79,224
18. INTERIM DIVIDEND .....			42,79,30,264		Nil
19. NET REVERSAL OF PROVISION FOR DIVIDEND FOR EARLIER YEARS (See Note 17) .....			(63,32,265)		Nil
20. TRANSFER TO GENERAL RESERVE .....			75,00,00,000		50,00,00,000
				122,94,26,413	93,00,79,224
21. BALANCE CARRIED TO BALANCE SHEET .....			83,85,63,463		52,60,40,384
Notes — Pages 35 to 40.					

As per our report attached to the Balance Sheet.

For and on behalf of the Board,

For S. B. BILLIMORIA & CO.  
Chartered Accountants,For A. F. FERGUSON & CO.  
Chartered Accountants,R. N. TATA  
Chairman.Y. H. MALEGAM  
Partner.R. A. BANGA  
Partner.B. J. SHROFF  
Secretary.D. G. MEHRA  
Director.

Mumbai, 14th June, 2000.

Mumbai, 14th June, 2000.

**TATA ELECTRIC**

Eighty-first annual report 1999-2000

The Tata Power Company Limited

**Schedules forming part of the Balance Sheet  
Schedule "A"****SHARE CAPITAL**

	Rupees	Rupees	As at 31-3-1999 Rupees
<b>AUTHORISED CAPITAL —</b>			
1,00,000 11% Cumulative Redeemable 'A' Preference Shares of Rs. 100 each .....	1,00,00,000		1,00,00,000
22,90,00,000 Equity Shares of Rs. 10 each .....	229,00,00,000		229,00,00,000
		230,00,00,000	230,00,00,000
<b>ISSUED CAPITAL —</b>			
11,56,84,478 Equity Shares of Rs. 10 each (excluding 1,37,580 shares not allotted but held in abeyance — 31st March, 1999 — 5,77,850)		115,68,44,780	115,68,44,780
<b>SUBSCRIBED CAPITAL —</b>			
11,55,19,248 Equity Shares of Rs. 10 each (31st March, 1999 — 11,56,59,778) (excluding 1,37,580 shares not allotted but held in abeyance — 31st March, 1999 — 5,77,850) .....	115,51,92,480		115,65,97,780
Less — Calls in arrears .....	4,59,500		22,34,307
	115,47,32,980		115,43,63,473
1,65,230 Add — Equity Shares forfeited — Amount paid — (31st March, 1999 — 24,700 shares) .....	6,88,754		1,04,893
		115,54,21,734	115,44,68,366
Of the above Equity Shares :			
(i) 1,67,500 Shares are allotted at par as fully paid pursuant to contracts without payment being received in cash.			
(ii) 11,33,790 Shares issued as Bonus Shares by capitalisation of General Reserve.			
(iii) 49,63,500 Shares issued on exercise of the options by the financial institutions for the conversion of part of their loans/subscriptions to debentures.			
(iv) 56,81,818 Shares are allotted at premium as fully paid pursuant to contracts without payment being received in cash.			

**Schedule "B"****RESERVES AND SURPLUS**

	Rupees	Rupees	As at 31-3-1999 Rupees
<b>STATUTORY RESERVES :</b>			
[Under the Electricity (Supply) Act, 1948]			
<b>TARIFFS AND DIVIDENDS CONTROL RESERVE —</b>			
Balance as per last Balance Sheet .....		5,99,23,124	5,99,23,124
<b>CONTINGENCIES RESERVE NO. 1 —</b>			
[See Note 8(a)]			
Balance as per last Balance Sheet .....	44,90,70,235		39,88,55,957
Add — Amount set aside during the year .....	7,89,11,035		4,97,31,438
Capital Profit on redemption of Investment .....	2,26,160		Nil
Capital Profit on sale of Fixed Asset .....	Nil		5,57,707
	52,82,07,430		44,91,45,102
Less — Income-tax on Capital Profit on sale of Fixed Asset .....	Nil		74,867
Income-tax on Capital Profit on redemption of Investment .....	24,878		Nil
		52,81,82,552	44,90,70,235
<b>CONTINGENCIES RESERVE NO. 2 —</b>			
[See Note 8(b)]			
Balance as per last Balance Sheet .....		6,69,05,940	6,69,05,940
<b>DEVELOPMENT RESERVE —</b>			
(created prior to 1st April, 1976)			
Balance as per last Balance Sheet .....		2,63,72,594	2,63,72,594
<b>DEFERRED TAXATION LIABILITY FUND —</b>			
Balance as per last Balance Sheet .....		141,40,60,712	141,40,60,712
Carried over . .		209,54,44,922	201,63,32,605



**Schedule forming part of the Balance Sheet**  
**Schedule "B" — (Contd.)**

**RESERVES AND SURPLUS**

	Rupees	Rupees	As at 31-3-1999 Rupees
<b>STATUTORY RESERVES — (Contd.)</b>			
Brought forward..		209,54,44,922	201,63,32,605
<b>INVESTMENT ALLOWANCE RESERVE —</b> (including Development Reserve created after 31st March, 1976)			
Balance as per last Balance Sheet .....		60,63,60,646	60,63,60,646
<b>DEBT REDEMPTION RESERVE —</b>			
Balance as per last Balance Sheet .....		25,65,50,000	25,65,50,000
<b>DEBENTURE REDEMPTION RESERVE —</b>			
Balance as per last Balance Sheet .....	37,34,20,920		34,80,53,675
Add— Income from Debenture Redemption Reserve Investments .....	2,80,48,680		3,86,42,284
	40,14,69,600		38,66,95,959
Less— Income-tax on income from Debenture Redemption Reserve Investments (net of prior period tax adjustment Rs. Nil— 31st March, 1999 — Rs. 1,09,270) .....	Nil		1,32,75,039
		40,14,69,600	37,34,20,920
<b>OTHER RESERVES :</b>			
<b>CAPITAL RESERVE —</b>			
Balance as per last Balance Sheet .....	28,91,718		28,71,081
Add — Amount paid up on forfeited Debentures .....	Nil		20,637
	28,91,718		28,91,718
Less— Amount transferred on waiver of forfeited Debentures .....	8,418		Nil
		28,83,300	28,91,718
<b>CAPITAL REDEMPTION RESERVE —</b>			
Balance as per last Balance Sheet .....		1,00,02,000	1,00,02,000
<b>SHARE PREMIUM —</b>			
Balance as per last Balance Sheet .....	542,69,61,619		542,02,52,251
Add— Received during the year .....	27,30,200		67,09,368
	542,96,91,819*		542,69,61,619*
Less— Adjustment of Global Depository Shares issue expenses (Schedule "I") .....	3,70,73,067		3,97,21,143
		539,26,18,752	538,72,40,476
<b>GENERAL RESERVE—</b>			
Balance as per last Balance Sheet .....	190,00,00,000		140,00,00,000
Add— Dividend on forfeited shares .....	22,95,544		Nil
Amount set aside during the year .....	75,00,00,000		50,00,00,000
		265,22,95,544	190,00,00,000
<b>PROFIT AND LOSS ACCOUNT—</b>			
Balance as per last Balance Sheet .....	264,24,37,670		211,63,97,286
Add— Balance for the year .....	83,85,63,463		52,60,40,384
		348,10,01,133	264,24,37,670
		1489,86,25,897	1319,52,36,035
* Net of calls in arrears Rs. 13,78,500 — 31st March, 1999 — Rs. 21,87,900.			

**TATA ELECTRIC**

Eighty-first annual report 1999-2000

**The Tata Power Company Limited****Schedule forming part of the Balance Sheet****Schedule "C"****SECURED LOANS**

	Rupees	As at 31-3-1999 Rupees
(a) 14% Twelfth Debentures (1999-2002) ..... Rs. 56,44,38,400 (Secured by Trust Deed dated 21st November, 1992) Issued for cash ..... Nil		35,62,24,600
(b) 13.75% Secured, Redeemable, Non-Convertible Debentures issued to Canara Bank (2003-2005) (Secured by Debenture Trust Deed and Unattested Memorandum of Hypothecation dated 22nd February, 1999) ..... 50,00,00,000		50,00,00,000
(c) 14% Secured, Redeemable, Non-Convertible Debentures issued to Oriental Bank of Commerce (2003-2008) (Secured by Debenture Trust Deed and Unattested Memorandum of Hypothecation dated 22nd February, 1999) ..... 25,00,00,000		25,00,00,000
(d) 14% Secured, Redeemable, Non-Convertible Debentures issued to Army Group Insurance Fund (2004-2009) (Secured by Debenture Trust Deed and Unattested Memorandum of Hypothecation dated 25th February, 1999) ..... 12,50,00,000		Nil
(e) 12.75% Secured, Redeemable, Non-Convertible Debentures issued to Infrastructure Development Finance Company Ltd. (1999-2009) (Secured by Debenture Trust Deed and Unattested Memorandum of Hypothecation dated 25th June, 1999) ..... 126,75,35,832		Nil
(f) 13.50% Secured, Redeemable, Non-Convertible Debentures issued to General Insurance Corporation of India and its subsidiaries (2004-2010) (Secured by Debenture Trust Deed and Unattested Memorandum of Hypothecation dated 20th September, 1999) ..... 20,00,00,000		Nil
(g) 13.50% Secured, Redeemable, Non-Convertible Debentures issued to Life Insurance Corporation of India (2004-2010) (Secured by Debenture Trust Deed and Unattested Memorandum of Hypothecation dated 20th September, 1999) ..... 30,00,00,000		Nil
(h) Loan from International Bank for Reconstruction and Development (IBRD) (in foreign currency) (Secured by Trust Deed dated 12th June, 1985) ..... 93,14,43,532		109,90,96,055
(i) Loan from International Bank for Reconstruction and Development (IBRD) (in foreign currency) ..... 159,63,78,506		163,32,76,699
(j) Loan from International Finance Corporation (IFCW) (in foreign currency) ..... 47,04,28,126		56,34,56,251
(k) Loan from ANZ Grindlays Export Finance Ltd. (ANZ) (in foreign currency) ..... 60,23,39,264		56,28,06,283
(l) Cash Credit Arrangement with a Bank against hypothecation of stores, spare parts, coal, fuel and book debts — Amount drawn ..... Nil		38,14,614
	<u>624,31,25,260</u>	<u>496,86,74,502</u>
Items (h) to (l) — Applicable to the Company (50%)		

**Schedule forming part of the Balance Sheet**  
**Schedule "C" — (Contd.)**

**SECURED LOANS**

**Security**

The debentures and loans mentioned in items (a) to (k) above are secured or agreed to be secured by mortgages/charges on the immoveable properties, plant and licences of the Company and a floating charge on its other assets (subject to prior charges created and to be created in favour of the Company's bankers over the current assets), including the Company's interest in the immoveable properties, plant, licences and other assets held by the Company, jointly with The Tata Hydro-Electric Power Supply Co. Ltd. (Tata Hydro) and/or The Andhra Valley Power Supply Co. Ltd. (Andhra Valley), the priorities of the mortgages/charges for the aforesaid debentures and loans in respect of the assets and licences being as follows:

Assets/Licences	Order of priority of mortgages/charges for		
	Debentures, Loans from IBRD, IFCW and ANZ [items (b) to (g) and (i) to (k)]	Loan from IBRD [item (h)]	Debentures [item (a)]
1. The Trombay Thermal Power Electric Licence .....	I	I	II
2. Trombay 500 MW (Unit 5 and Unit 6) Projects and assets subsequently added thereto .....	I	I	II
3. Other assets at Trombay Thermal Power Station and Trombay Housing Colony ..	I	I	I
4. All other assets held by the Company, jointly with Tata Hydro and/or Andhra Valley .....	I	Nil	I
5. The Nila Mula Valley (Hydro-Electric) Licence .....	I	Nil	I
6. All other assets of the Company .....	I	Nil	I

**Notes :**

- (i) The loans from IBRD, IFCW and ANZ have been granted jointly to the Company, Tata Hydro and Andhra Valley. These loans have been secured or agreed to be secured by mortgages/charges on the assets and licences held by the said three Companies jointly as well as severally.
- (ii) The debentures mentioned in (a) are secured by mortgage/charge on the Company's assets in Gujarat and have been further secured by mortgage/charge on its other assets as mentioned above.
- (iii) In the above table of priorities of the mortgages/charges, where the priorities are the same, the mortgages/charges rank on *pari passu* basis. In cases where priority of security is shown as 'Nil', such assets/licences do not constitute security for that loan.

**Redemption**

- (i) The debentures mentioned in (a) are redeemable at par on 22nd June, 2002, the Company having the option to redeem the same at any time after 21st June, 1999, which have been redeemed during the year.
- (ii) The debentures mentioned in (b) and (c) are redeemable at par on 26th November, 2005 and 26th November, 2008 respectively. The Company has the call option to redeem the same at the end of 5 years from 26th November, 1998, being the date of allotment, at a premium of 0.25% per annum for the balance period of debentures giving 90 days prior period notice.
- (iii) The debentures mentioned in (d) are redeemable at par on 5th July, 2009. The Company has the call option to redeem the same at the end of 5 years from 5th July, 1999.
- (iv) The debentures mentioned in (e) are redeemable at par in forty equated quarterly instalments commencing from 15th October, 1999. The Company has the call option to redeem the same at the end of 5 years from 24th November, 1999, by giving 30 days prior period notice.
- (v) The debentures mentioned in (f) and (g) are redeemable at par in three annual instalments at the end of the ninth, tenth and eleventh years from the date of allotment i.e. 22/24 November, 2008, 22/24 November, 2009 and 22/24 November, 2010. The Company has the call option to redeem the same at the end of 5 years from 22nd November, 1999, by giving 30 days prior period notice.

**TATA ELECTRIC**

Eighty-first annual report 1999-2000

**The Tata Power Company Limited****Schedules forming part of the Balance Sheet  
Schedule "D"****UNSECURED LOANS**

	Rupees	As at 31-3-1999 Rupees
(a) Fixed Deposits .....	22,90,03,000	22,41,85,000
(b) Loans from Shareholders (including short term Rs. 1,30,24,000 — 31st March, 1999 — Rs. 1,14,80,000) .....	2,10,67,000	2,47,59,000
(c) Loans from Japanese Leasing Companies (including short term Rs. 14,68,10,973 — 31st March, 1999 — Rs. 12,52,47,117) (See Note 19)* .....	35,78,33,446	43,05,21,352
(d) Supplier's Credit from Kanematsu Corporation, Japan (including short term Rs. 2,99,01,600 — 31st March, 1999 — Rs. 2,55,09,600) (See Note 20)* .....	13,45,57,200	14,03,02,800
(e) Loans from Housing Development Finance Corporation Ltd. (including short term Rs. 38,63,396 — 31st March, 1999 — Rs. 33,47,106) .....	4,26,44,321	4,59,91,427
(f) 7.875% Euro Notes (2007)* .....	262,86,00,000	319,65,00,000
(g) 8.500% Euro Notes (2017)* .....	262,86,00,000	319,65,00,000
(h) Short Term Borrowing from Companies .....	19,44,00,000	3,19,00,000
(i) Interest accrued and due :		
On (a) above .....	Rs.2,06,462	28,389
On (b) above .....	" 21,343	6,698
	2,27,805	35,087
	<u>623,69,32,772</u>	<u>729,06,94,666</u>

\* repayable in foreign currencies.

**Schedule "E"****FIXED ASSETS**

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1-4-1999 (at cost)	Additions	Deductions	As at 31-3-2000 (at cost)	As at 1-4-1999	For the year	Deductions	As at 31-3-2000	As at 1-4-1999	As at 31-3-2000
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
1. LAND (including land development) .....	3,27,12,984	73,74,800	—	4,00,87,784	—	—	—	—	3,27,12,984	4,00,87,784
2. LEASEHOLD LAND .....	—	1,08,50,000	—	1,08,50,000	—	—	—	—	—	1,08,50,000
3. HYDRAULIC WORKS .....	66,53,09,383	46,76,71,784	7,85,626	1,13,21,95,541	8,75,92,400	2,14,18,662	7,07,063	10,83,03,999	57,77,16,983	1,02,38,91,542
4. BUILDINGS .....	91,49,34,172	19,13,58,046	32,01,287	1,10,30,90,931*	22,14,45,557	4,07,27,050	26,49,503	25,95,23,104	69,34,88,615	84,35,67,827
5. RAILWAY SIDINGS, ROADS, CROSSINGS, ETC. ....	7,24,18,667	15,86,730	—	7,40,05,397	1,27,00,099	21,86,233	—	1,48,86,332	5,97,18,568	5,91,19,065
6. PLANT AND MACHINERY .....	1,155,86,96,245	43,73,34,591	2,60,49,818	1,196,99,81,018	433,92,75,108	83,56,03,579	1,36,39,259	516,12,39,428	721,94,21,137	680,87,41,590
7. TRANSMISSION LINES, CABLE NETWORK, ETC. ....	1,77,10,47,510	12,31,46,317	44,73,694	1,88,97,20,133	48,52,40,836	9,10,74,953	1,33,706	57,61,82,083	1,28,58,06,674	1,31,35,38,050
8. FURNITURE, FIXTURES AND OFFICE EQUIPMENT .....	8,43,86,765	65,33,334	17,58,324	8,91,61,775	4,91,92,141	69,53,130	12,11,285	5,49,33,986	3,51,94,624	3,42,27,789
9. TECHNICAL KNOW-HOW .....	26,75,000	—	—	26,75,000	26,75,000	—	—	26,75,000	—	—
10. MOTOR VEHICLES, LAUNCHES, BARGES, ETC. ....	5,76,91,607	79,39,776	31,41,998	6,24,89,385	3,88,91,561	80,12,852	27,56,923	4,41,47,490	1,88,00,046	1,83,41,895
TOTAL — 1999-2000 .....	1,515,98,72,333	1,25,37,95,378	3,94,10,747	1,637,42,56,964	523,70,12,702	1,00,59,76,459	2,10,97,739	622,18,91,422	992,28,59,631	1,015,23,65,542
— 1998-1999 .....	1,390,53,17,543	1,29,16,52,947	3,70,98,157	1,515,98,72,333	431,64,32,058	94,60,94,828	2,55,14,184	523,70,12,702	958,88,85,485	992,28,59,631

\* Buildings include Rs. 1,000 being cost of ordinary shares in a Co-operative Housing Society and Rs. 7,080 being 50% cost of ordinary shares in Co-operative Housing Societies, held jointly with The Tata Hydro-Electric Power Supply Co. Ltd. and The Andhra Valley Power Supply Co. Ltd.





**Schedule forming part of the Balance Sheet**  
**Schedule "F"**

**INVESTMENTS**

	No. of Shares	Face Value	Cost	Cost as at 31-3-1999
		Rupees	Rupees	Rupees
<b>1. CONTINGENCIES RESERVE INVESTMENTS —</b>				
<b>A. Government of India Securities — (Quoted)</b>				
5 1/2% (1999) Bank Compensation Bonds (Redeemed during the year — Face Value as on 31st March, 1999 — Rs. 71,80,000) .....		Nil	Nil	69,53,840
5 1/2% (2000) Loan .....		26,47,800	26,47,800	26,47,800
5 1/2% (2003) Loan .....		9,40,500	9,40,500	9,40,500
<b>B. Other Securities — (Quoted)</b>				
9% (1999) Industrial Development Bank of India Bonds (Redeemed during the year — Face Value as on 31st March, 1999 — Rs. 5,00,000) .....		Nil	Nil	5,00,000
Unit Trust of India (Face Value as on 31st March, 1999 — Rs. 28,50,56,660) .....	33,94,35,530		51,97,29,729	45,46,21,905
			52,33,18,029	46,56,64,045
<b>C. Other Securities — (Unquoted)</b>				
17 1/2% (2001) State Industrial and Investment Corporation of Maharashtra Ltd. Debentures .....	1,00,000		98,000	98,000
			52,34,16,029	46,57,62,045
<b>2. DEFERRED TAXATION LIABILITY FUND INVESTMENTS —</b>				
Other Securities — (Quoted)				
Unit Trust of India (Face Value as on 31st March, 1999 — Rs. 84,81,85,640) .....	84,81,85,640		141,40,61,098	141,40,61,098
<b>3. DEBENTURE REDEMPTION RESERVE INVESTMENTS —</b>				
<b>A. Ordinary Shares — (Quoted) fully paid up</b>				
Industrial Development Bank of India .....	89,200	8,92,000	1,14,22,060	1,14,22,060
<b>B. Other Securities — (Quoted)</b>				
Unit Trust of India (Face Value as on 31st March, 1999 — Rs. 20,47,94,670) .....	22,60,45,940		39,00,47,624	36,18,89,698
			40,14,69,684	37,33,11,758
<b>4. TRADE INVESTMENTS —</b>				
<b>A. Ordinary Shares — (Quoted) fully paid up</b>				
* The Tata Hydro-Electric Power Supply Co. Ltd. (including 1,53,805 shares purchased during the year — No. of shares as on 31st March, 1999 — 46,89,160) .....	48,42,965	4,84,29,650	50,88,16,828	50,21,96,356
* The Andhra Valley Power Supply Co. Ltd. (including 9,38,335 shares purchased during the year — No. of shares as on 31st March, 1999 — 1,00,33,250) .....	1,09,71,585	10,97,15,850	140,57,16,252	136,44,16,603
The National Radio & Electronics Co. Ltd. (5,00,000 shares sold during the year — No. of shares as on 31st March, 1999 — 55,22,520) ..	50,22,520	5,02,25,200	5,00,62,452	5,50,46,250
Volitas Ltd. ....	9,450	94,500	10,23,000	10,23,000
Tata Donnelley Ltd. ....	2,59,200	25,92,000	73,82,285	73,82,285
			197,30,00,817	193,00,64,494
<b>B. Ordinary Shares — (Unquoted) fully paid up</b>				
Tata Services Ltd. ....	783	7,83,000	7,83,000	7,83,000
The Associated Building Co. Ltd. ....	700	6,30,000	** 3,15,000	** 3,15,000
Yashmun Engineers Ltd. ....	3,200	3,20,000	40,000	40,000
Chemical Terminal Trombay Ltd. ....	19,200	19,20,000	1,20,000	1,20,000
Tata Projects Ltd. ....	15,000	15,00,000	17,50,000	17,50,000
Tata Share Registry Ltd. ....	17,250	17,25,000	28,75,000	28,75,000
			58,83,000	58,83,000
			197,88,83,817	193,59,47,494
<b>5. INVESTMENTS IN SUBSIDIARY COMPANY —</b>				
Ordinary Shares — (Unquoted) fully paid up				
Jamshedpur Power Co. Ltd. ....	1,99,99,002	19,99,90,020	19,99,90,020	19,99,90,020
<b>6. OTHER INVESTMENTS —</b>				
<b>A. Ordinary Shares — (Quoted) fully paid up</b>				
Housing Development Finance Corporation Ltd. (Sold during the year — No. of shares as on 31st March, 1999 — 9,000) .....	Nil	Nil	Nil	23,62,500
Titan Industries Ltd. ....	1,74,150	17,41,500	42,47,500	42,47,500
Tata Honeywell Ltd. (Sold during the year — No. of shares as on 31st March, 1999 — 4,37,500) .....	Nil	Nil	Nil	1,21,25,000
Tata Telecom Ltd. ....	6,18,750	61,87,500	2,33,75,000	2,33,75,000
PS Data Systems Ltd. (including 1,35,244 shares purchased and 1,35,300 shares sold during the year — No. of shares as on 31st March, 1999 — 1,35,300) .....	1,35,244	13,52,440	6,42,94,862	67,65,000
HDFC Bank Ltd. ....	500	5,000	5,000	5,000
			9,19,22,362	4,88,80,000
<b>B. Ordinary Shares — (Unquoted) fully paid up</b>				
Tata Klockner Industrial Plants Ltd. ....	1	100	100	100
Tata Industries Ltd. (including 7,61,130 right shares subscribed to during the year — No. of shares as on 31st March, 1999 — 3,80,565) .....	11,41,695	11,41,69,500	13,70,03,400	6,08,90,400
Rujivalika Investments Ltd. ....	50,000	5,00,000	7,50,000	7,50,000
Vijay Investments Ltd. ....	50,000	5,00,000	7,50,000	7,50,000
WTI Advanced Technology Ltd. ....	72,500	7,25,000	1	1
Tata BP Solar India Ltd. ....	1,29,600	1,29,60,000	# 1,29,60,000	# 1,29,60,000
Tata Liebert Ltd. ....	15,00,000	1,50,00,000	2,50,00,000	2,50,00,000
Tata BP Lubricants India Ltd. ....	1,49,999	1,49,99,900	1,49,99,900	1,49,99,900
AF-Taab Investment Co. Ltd. ....	1,19,040	1,19,04,000	8,10,65,301	8,10,65,301
Tata Ceramics Ltd. (See Note 11) .....	30,43,334	3,04,33,340	*** 1	*** 1
Tata Sons Ltd. (4 shares purchased and 2,224 bonus shares received during the year — No. of shares as on 31st March, 1999 — 4,444) .....	6,672	66,72,000	37,27,87,000	37,03,75,000
Tata Teleservices Ltd. (5,18,70,050 shares purchased during the year — No. of shares as on 31st March, 1999 — Nil) .....	5,18,70,050	51,87,00,500	51,87,00,500	Nil
India Natural Gas Co. Pvt. Ltd. (50,000 shares purchased during the year — No. of shares as on 31st March, 1999 — Nil) .....	50,000	50,00,000	50,00,000	Nil
Halodia Petrochemicals Ltd. (As on 31st March, 1999 — Rs. 7.50 per share paid up) .....	3,60,71,429	36,07,14,290	36,07,14,290	27,05,35,720
			152,97,30,493	83,73,26,423
			613,94,73,503	527,52,78,838

Carried over ..

\* Companies in the same group [vide Section 372(10) of the Companies Act, 1956].

\*\* At less than cost — Original cost Rs. 6,30,000.

\*\*\* At less than cost — Original cost Rs. 3,04,33,340.

# At less than cost — Original cost Rs. 7,25,000.

**TATA ELECTRIC**

Eighty-first annual report 1999-2000

The Tata Power Company Limited

**Schedule forming part of the Balance Sheet**  
**Schedule "F" — (Contd.)**

**INVESTMENTS**

	No. of Shares	Face Value	Cost	Cost as at 31-3-1999
		Rupees	Rupees	Rupees
Brought forward ..			613,94,73,503	527,52,78,838
6. OTHER INVESTMENTS — (Contd.)				
C. Preference Shares — (Unquoted) fully paid up				
Tata Sons Ltd. ....	50,000	5,00,00,000	5,00,00,000	5,00,00,000
Titan Industries Ltd. ....	2,50,000	2,50,00,000	2,50,00,000	2,50,00,000
Tata Liebert Ltd. ....	75,000	75,00,000	75,00,000	75,00,000
Tata Ceramics Ltd. (7,63,817 shares acquired during the year — No. of shares as on 31st March, 1999 — 15,00,000) .....	22,63,817	22,63,81,700	22,64,63,783	15,00,00,000
			30,89,63,783	23,25,00,000
D. Other Securities — (Quoted)				
SBI Bonds .....		50,00,000	50,00,000	50,00,000
IDBI 1999 Bonds (Redeemed during the year — Face Value as on 31st March, 1999 — Rs. 10,00,00,000) .....		Nil	Nil	10,03,00,000
Unit Trust of India (Face Value as on 31st March, 1999 — Rs. 69,24,47,540) .....	80,10,06,660		97,98,55,914	82,90,70,890
			98,48,55,914	93,43,70,890
E. Other Securities — (Unquoted)				
Unit Trust of India — Venture Capital Unit Scheme 1990 (Vecaus-II) (Face Value as on 31st March, 1999 — Rs. 5,36,000) .....		4,48,000	4,48,000	5,36,000
J M Equity Fund-Units .....	25,00,000	25,00,000	25,00,000	25,00,000
Alliance Fund-Units (Redeemed during the year — Face Value as on 31st March, 1999 — Rs. 1,50,00,000) .....		Nil	Nil	1,50,00,000
BOI Mutual Fund .....	25,00,000	25,00,000	25,00,000	25,00,000
Tata Mutual Fund — Equity Growth Fund (Redeemed during the year — Face Value as on 31st March, 1999 — Rs. 1,50,00,000) .....		Nil	Nil	1,50,00,000
Tata Mutual Fund — Core Sector Equity Fund (Redeemed during the year — Face Value as on 31st March, 1999 — Rs. 5,00,00,000) .....		Nil	Nil	5,00,00,000
KRC Bonds (tax-free) (Redeemed during the year — Face Value as on 31st March, 1999 — Rs. 5,00,00,000) .....		Nil	Nil	4,82,50,000
† Certificate of Deposit with State Bank of India, New York (in foreign currency) .....	251,37,80,070		251,37,80,070	218,88,84,084
† Certificate of Deposit with State Bank of India, London (in foreign currency) .....	359,66,72,525		359,66,72,525	331,66,46,980
			611,59,00,595	563,93,17,064
			903,13,73,147	769,23,94,377
			1,354,91,93,795	1,208,14,66,792
			As at 31-3-2000	As at 31-3-1999
Notes — (1) Aggregate of Quoted Investments —			Rupees	Rupees
Cost .....			538,86,27,904	516,63,52,285
Market Value (including face value of Rs. Nil (31st March, 1999 — Rs. 81,20,500) in respect of items listed but not quoted) .....			455,43,65,178	443,04,10,846
(2) Aggregate of Unquoted Investments —				
Cost .....			816,05,65,891	691,51,14,507
(3) During the year the Company acquired and sold the following Investments:				
	Face Value	Purchase Cost		
Alliance Liquid Income .....	5,60,95,737	7,50,00,000		
Alliance 95 Fund .....	2,54,71,218	10,00,00,000		
Tata Liquid Fund .....	189,05,29,228	205,75,00,000		
Tata Income Fund .....	18,39,07,639	25,23,34,154		
Tata Gilt Securities Fund .....	24,50,45,014	24,50,00,000		
Prudential ICICI Income Plan .....	6,54,45,026	7,50,00,000		
Templeton India Income Fund .....	5,43,87,237	7,50,00,000		
Birla Income Plus .....	7,68,00,760	12,50,00,000		
Tata Life Science & Technology Fund .....	4,35,94,260	5,00,00,000		
Tata Equity Growth Fund .....	6,78,99,320	10,00,00,000		
Tata Twin Option Fund .....	5,01,51,781	7,50,00,000		
Alliance Cash Manager .....	1,52,28,430	175,00,50,000		
Birla Cash Plus .....	12,07,43,782	15,00,00,000		
Jardine Fleming India Bond Fund .....	5,83,20,373	7,50,00,000		
† Current Investments — all other investments are long term investments.				





**Schedule forming part of the Balance Sheet  
Schedule "G"**

**CURRENT ASSETS, LOANS AND ADVANCES**

		Rupees	Rupees	As at 31-3-1999 Rupees
<b>CURRENT ASSETS —</b>				
(a)	Interest accrued on Investments .....		3,84,23,677	4,03,05,675
(b)	Stores and Spare Parts at or below cost (as certified by the Whole-time Director) ..		116,19,31,799	114,41,81,410
(c)	Loose Tools at or below cost (as certified by the Whole-time Director) .....		3,40,994	3,53,399
(d)	Stores, Tools and Equipment in transit at cost .....		1,98,29,270	26,67,048
(e)	Work-in-progress (in respect of electronic products, amounting to Rs. 18,16,57,766 — 31st March, 1999 — Rs. 16,85,81,446 — at lower of cost plus attributed profit and net realisable value and in respect of others, at lower of cost and net realisable value) (as certified by the Whole-time Director) .....		18,16,57,766	19,10,08,263
(f)	Sundry Debtors—			
	(i) Debts outstanding for more than six months .....	Rs.	60,24,54,077	19,96,65,545
	(ii) Other Debts .....	"	251,24,33,734	148,48,85,846
		Rs.	311,48,87,811	168,45,51,391
	Less — Provision for doubtful debts .....	"	17,59,65,517	15,64,83,491
			293,89,22,294	152,80,67,900
	Notes—			
	Sundry Debtors fully secured .....	Rs.	11,88,61,877	9,28,25,676
*	Sundry Debtors unsecured and considered good ..	"	282,00,60,417	143,52,42,224
	Sundry Debtors considered doubtful .....	"	17,59,65,517	15,64,83,491
		Rs.	311,48,87,811	168,45,51,391
	* Including amount due from Companies under the same Management —			
	(i) The Tata Hydro-Electric Power Supply Co. Ltd. ..	Rs.	10,25,67,488	25,82,26,898
	(ii) The Andhra Valley Power Supply Co. Ltd. ....	Rs.	45,85,99,220	19,68,09,676
(g)	Cash and Bank Balances —			
	(i) Current Accounts with Scheduled Banks .....	Rs.	26,80,88,075@	8,69,28,950@
	(ii) Call Deposit with a Scheduled Bank .....	"	Nil	29,83,40,000†
	(iii) Call Deposit with Branch Bank and Trust Grand Cayman — Non-Scheduled Bank (in foreign currency) (maximum amount outstanding during the year Rs. 29,83,40,000 — 31st March, 1999 — Rs. 29,83,40,000) .....	"	Nil	29,83,40,000
	(iv) Call Deposit with Banco Bilbao viz Nassau — Non-Scheduled Bank (in foreign currency) (maximum amount outstanding during the year Rs. 31,96,50,000 — 31st March, 1999 — Rs. 31,96,50,000) .....	"	Nil	31,96,50,000
	(v) Call Deposit with Harris Trust and Saving Nassau — Non-Scheduled Bank (in foreign currency) (maximum amount outstanding during the year Rs. 29,83,40,000 — 31st March, 1999 — Rs. 29,83,40,000) .....	"	Nil	29,83,40,000
	(vi) Cash and Cheques on Hand .....	"	14,75,412	45,04,909
	† In foreign currency .....		26,95,63,487	130,61,03,859
	@ Includes Rs. Nil — 31st March, 1999 — Rs. 1,98,65,782 in foreign currency.			421,26,87,554
<b>LOANS AND ADVANCES — Considered good — unless otherwise stated — (Unsecured)</b>				
(a)	Advances with public bodies (including balances with Customs and Excise Rs. 3,65,86,038 — 31st March, 1999 — Rs. 1,33,80,610) .....		3,67,09,528	1,35,27,727
(b)	Loans to and Deposits with The National Radio & Electronics Co. Ltd. ....		2,38,04,872	2,72,05,406
(c)	Advances to Jamshedpur Power Co. Ltd. (a Subsidiary Company) .....		205,86,80,582	45,16,63,535
(d)	Deposits with other Companies .....		71,44,12,500	107,78,42,500
(e)	Other Advances (including amount due from a Director Rs. 4,10,450 — 31st March, 1999 — Rs. 4,43,400 — maximum amount due during the year Rs. 4,43,400 — 31st March, 1999 — Rs. 4,77,600) (including advances considered doubtful Rs. 23,04,303 — 31st March, 1999 — Rs. 4,73,150) .....	Rs.	65,45,39,759	38,72,39,365
	Less — Provision for doubtful advances .....	"	23,04,303	4,73,150
			65,22,35,456	38,67,66,215
(f)	Payment of Taxes .....		94,06,43,852	107,27,73,424
			442,64,86,790	302,97,78,807
			903,71,56,077	724,24,66,361

**TATA ELECTRIC**

Eighty-first annual report 1999-2000

**The Tata Power Company Limited****Schedules forming part of the Balance Sheet  
Schedule "H"****CURRENT LIABILITIES AND PROVISIONS**

	Rupees	Rupees	As at 31-3-1999 Rupees
<b>CURRENT LIABILITIES —</b>			
(a) Consumers Benefit Account .....	5,74,27,755		5,74,27,755
(b) Sundry Creditors (including Call Money refundable Rs. Nil — 31st March, 1999 — Rs. 31,29,019, Share Application Money refundable Rs. 5,78,550 — 31st March, 1999 — Rs. 5,86,050, Partly Convertible Debentures Application Money refundable Rs. 3,60,287 — 31st March, 1999 — Rs. 3,60,287) [See Note 21(a)] .....	304,76,36,472		171,91,28,797
(c) Advance and progress payments .....	11,26,11,473		12,86,11,888
(d) Interest accrued but not due on Secured Loans .....	7,10,24,527		3,51,13,725
(e) Interest accrued but not due on Unsecured Loans .....	5,28,14,471		6,39,07,780
(f) Dividend Warrants issued but not encashed and unremitted dividends .....	1,18,55,646		1,84,29,809
(g) Other Liabilities .....	26,07,99,849		19,83,64,716
(h) Security Deposits from Consumers .....	13,36,73,082		12,15,06,118
(i) Sundry Deposits .....	12,80,99,441		12,14,56,824
(j) Liability for Interim Dividend .....	42,79,30,264		Nil
		430,38,72,980	246,39,47,412
<b>PROVISIONS —</b>			
(a) Provision for Taxation .....	105,52,67,418		94,13,55,367
(b) Provision for Additional Income-tax on Dividend .....	5,97,94,580		4,73,08,715
(c) Provision for Wealth Tax .....	12,82,182		12,55,854
(d) Provision for Gratuities .....	18,31,46,870		16,14,21,273
(e) Provision for Pension Scheme .....	2,20,30,500		1,89,17,000
(f) Provision for Leave Encashment .....	7,78,74,439		6,82,15,214
(g) Proposed Dividend .....	5,78,28,414		43,00,79,224
		145,72,24,403	166,85,52,647
		576,10,97,383	413,25,00,059

**Schedule "I"**  
**MISCELLANEOUS EXPENDITURE (to the extent not written off)**

	Expenditure Incurred	Written off upto 31-3-1999	Written off during the year	Closing Balance	As at 31-3-1999
	Rupees	Rupees	Rupees	Rupees	Rupees
<b>INTANGIBLE ASSETS —</b>					
"The Nila Mula Valley (Hydro-Electric) Licence, 1921" .....	7,50,000	7,47,583	2,417	Nil	2,417
"The Trombay Thermal Power Electric Licence, 1953" ...	250	246	—	4	4
<b>OTHER EXPENDITURE —</b>					
Expenses re: New Ordinary Shares .....	1,29,311	1,28,752	559	Nil	559
Expenses towards Right Shares issued in 1993 .....	1,92,83,558	55,09,587	9,18,265	1,28,55,706	1,37,73,971
Global Depositary Shares (GDS) issue expenses .....	5,56,09,598	1,58,88,455	26,48,076	3,70,73,067	3,97,21,143
Discount on issue of Debentures .....	23,80,150	23,80,150	—	Nil	Nil
Discount on issue of Euro Notes .....	2,77,19,888	38,13,828	63,06,743	1,75,99,317	2,39,06,060
	10,58,72,755	2,84,68,601	98,76,060	6,75,28,094	7,74,04,154
Less — GDS issue expenses adjusted against Share Premium .....				3,70,73,067	3,97,21,143
				3,04,55,027	3,76,83,011

**Schedule forming part of the Profit and Loss Account  
Schedule "1"**

**OTHER INCOME**

	Rupees	Previous Year Rupees
(a) RENTAL OF LAND, BUILDINGS, PLANT AND EQUIPMENT, ETC. ....	65,12,035	54,55,555
(b) INTEREST ON GOVERNMENT AND OTHER SECURITIES, LOANS, ADVANCES, DEPOSITS, ETC. (including Rs. 3,66,349 — Previous Year Rs. 6,57,108 on Contingencies Reserve Investments) (including Income-tax deducted Rs. 2,35,62,394 — Previous Year Rs. 1,94,61,340) .....	13,19,78,325	24,33,38,818
(c) INCOME ON UNITS FROM UNIT TRUST OF INDIA (including Income-tax deducted Rs. Nil — Previous Year Rs. 8,79,85,727) (excluding amount credited to Debenture Redemption Reserve Rs. 2,76,47,280 — Previous Year Rs. 3,82,40,884 on which Income-tax deducted Rs. Nil — Previous Year Rs. 76,48,177) .....	24,64,68,132	40,20,79,998
(d) INCOME FROM TRADE INVESTMENTS .....	6,46,93,260	4,42,04,312
(e) INCOME FROM OTHER INVESTMENTS (including Income-tax deducted Rs. 30,14,000 — Previous Year Rs. 32,43,493) (including Rs. 33,63,42,109 — Previous Year Rs. 22,93,95,587 in respect of Current Investments) (excluding amount credited to Debenture Redemption Reserve Rs. 4,01,400 — Previous Year Rs. 4,01,400) .....	39,16,95,040	27,51,17,331
(f) INCOME IN RESPECT OF SERVICES RENDERED .....	7,06,19,099	2,00,97,149
(g) ROYALTY .....	Nil	2,26,451
(h) MISCELLANEOUS REVENUE AND SUNDRY CREDITS .....	3,82,47,498	2,94,00,589
(i) SALE OF ELECTRONIC PRODUCTS .....	4,05,46,115	3,18,17,597
(j) PROFIT ON SALE OF INVESTMENTS (NET) (including Rs. 27,75,19,927 — Previous Year Rs. Nil in respect of Current Investments) .....	63,26,83,965	12,03,27,763
(k) SURPLUS ON BUY-BACK OF EURO NOTES .....	18,98,63,000	Nil
	<u>181,33,06,469</u>	<u>117,20,65,563</u>

**TATA ELECTRIC**

Eighty-first annual report 1999-2000

**The Tata Power Company Limited****Schedule forming part of the Profit and Loss Account  
Schedule "2"****GENERATION, DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES**

	Rupees	Rupees	Previous Year Rupees
1. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES —			
(a) Salaries, Wages and Bonus (excluding Rs. 57,90,498 on Repairs and Maintenance — Previous Year Rs. 27,88,550) .....	41,96,69,603		46,59,26,482
(b) Company's contribution to Provident Fund .....	2,87,22,508		2,76,37,527
(c) Retiring Gratuities .....	3,55,26,597		2,51,36,411
(d) Welfare Expenses .....	9,73,11,952		7,99,17,571
(e) Contribution to Superannuation Fund .....	3,98,37,391		2,93,56,919
(f) Leave Encashment .....	1,61,30,754		2,04,08,948
(g) Pension Scheme .....	51,75,523		(92,11,524)
		64,23,74,328	63,91,72,334
2. OPERATION EXPENSES —			
(a) Stores, Oil, etc. consumed (excluding Rs. 23,94,73,971 on Repairs and Maintenance — Previous Year Rs. 20,29,70,126 and Rs. 3,15,111 in Other Operation Expenses — Previous Year Rs. 6,52,070) .....	3,24,34,956		4,16,68,832
(b) Rental of Land, Buildings, Plant and Equipment, etc. ....	6,42,40,984		7,62,03,311
(c) Repairs and Maintenance —			
(i) To Buildings and Civil Works .... Rs. 24,72,94,267			20,28,30,207
(ii) To Machinery and Hydraulic Works .....	40,85,16,307		39,30,51,584
(iii) To Furniture, Vehicles, etc. .... "	44,02,078		40,74,404
	66,02,12,652		59,99,56,195
(d) Rates and Taxes .....	8,96,84,227		9,36,29,009
(e) Excise Duty .....	1,29,87,202		15,15,058
(f) Insurance .....	8,35,18,169		10,90,76,118
(g) Components consumed relating to manufacturing activities .....	1,95,24,549		2,03,04,642
(h) Other Operation Expenses .....	9,47,28,896		2,84,80,626
		105,73,31,635	97,08,33,791
3. WHEELING CHARGES PAYABLE .....		9,46,77,333	9,56,05,167
Carried over..		179,43,83,296	1,70,56,11,292



### Schedules forming part of the Profit and Loss Account

#### Schedule "2" — (Contd.)

#### GENERATION, DISTRIBUTION, ADMINISTRATION AND OTHER EXPENSES

	Rupees	Rupees	Previous Year Rupees
Brought forward ..		179,43,83,296	170,56,11,292
4. ADMINISTRATION EXPENSES —			
(a) Rent .....	53,42,826		19,06,957
(b) Rates and Taxes .....	54,72,549		10,40,259
(c) Insurance .....	2,64,82,259		2,56,76,022
(d) Other Administration Expenses .....	3,47,73,303		3,90,19,129
(e) Commission and Brokerage .....	32,30,405		34,69,608
(f) Guarantee Fees for Loans .....	8,36,90,210		9,13,45,550
(g) Directors' Fees .....	1,96,000		1,47,000
(h) Auditors' Fees [See Note 31 (a)(i) to (iv)] .....	36,94,038		20,77,500
(i) Government Audit Fees .....	50,000		50,000
(j) Cost of Services Procured .....	8,50,98,684		5,37,51,069
(k) Miscellaneous Expenses (net of upfront fees recovered Rs. 1,39,62,500 — Previous Year Rs. Nil) [See Notes 25 and 31 (a)(v)] .....	13,39,30,299		6,64,94,976
(l) Provision for Doubtful Debts and Advances (Net) .....	2,13,13,179		2,19,34,922
(m) Bad Debts .....	12,31,652		18,92,619
		40,45,05,404	30,88,05,611
5. DECREASE/(INCREASE) IN WORK-IN-PROGRESS			
Opening Balance .....	19,10,08,263		14,03,52,122
Less — Closing Balance .....	18,16,57,766		19,10,08,263
		93,50,497	(5,06,56,141)
6. AMOUNT WRITTEN OFF — MISCELLANEOUS EXPENDITURE			
(Schedule "1") .....		98,76,060	54,76,241
7. LOSS ON EXCHANGE (NET) .....		1,48,89,179	3,77,01,478
8. LOSS ON SALE/RETIREMENT OF ASSETS (NET) .....		59,45,600	34,62,575
9. NET ADJUSTMENTS IN RESPECT OF PREVIOUS YEARS .....		1,23,29,241	2,84,40,388
		225,12,79,277	203,88,41,444

#### Schedule "3"

#### INTEREST

	Rupees	Previous Year Rupees
(a) INTEREST ON DEBENTURE LOANS (net of interest recovered Rs. 14,13,25,082 — Previous Year Rs. Nil) .....	14,86,00,592	8,57,56,836
(b) INTEREST ON FIXED PERIOD LOANS FROM INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND INTERNATIONAL FINANCE CORPORATION .....	19,57,00,566	22,70,65,411
(c) INTEREST ON FIXED PERIOD EURO NOTES .....	46,98,05,636	52,66,82,950
(d) OTHER INTEREST AND COMMITMENT CHARGES (including Rs. 8,26,28,468 on Fixed Period Loans — Previous Year Rs. 9,17,81,489) .....	23,12,61,339	14,94,01,988
	104,53,68,133	98,89,07,185

**TATA ELECTRIC**

Eighty-first annual report 1999-2000

**The Tata Power Company Limited****Schedules forming part of the Profit and Loss Account  
Schedule "4"****STATUTORY APPROPRIATIONS**

	Rupees	Previous Year Rupees
(a) CONTINGENCIES RESERVE .....	7,89,11,035	4,97,31,438
(b) SPECIAL APPROPRIATION TOWARDS PROJECT COST .....	17,33,73,567	11,02,64,133
	<u>25,22,84,602</u>	<u>15,99,95,571</u>

**Schedule "5"****Computation of Net Profit in accordance with Section 309(5) of the Companies Act, 1956  
and Commission payable to the Whole-time and other Directors**

	Rupees	Rupees	Previous Year Rupees
Profit before Taxes and Statutory Appropriations as per Profit and Loss Account .....		329,61,89,531	244,68,19,509
Add — Amount written off-Miscellaneous Expenditure .....	98,76,060		54,76,241
Managerial Remuneration .....	67,79,497		81,23,966
Provision for Doubtful Debts and Advances (Net) .....	2,13,13,179		2,19,34,922
		<u>3,79,68,736</u>	<u>3,55,35,129</u>
		333,41,58,267	248,23,54,638
Less — Profit on Sale of Investments (Net) .....	63,26,83,965		12,03,27,763
Surplus on buy-back of Euro Notes .....	18,98,63,000		Nil
		<u>82,25,46,965</u>	<u>12,03,27,763</u>
Net Profit as per Section 309(5) .....		<u>251,16,11,302</u>	<u>236,20,26,875</u>
Commission payable to:			
(a) Whole-time Directors (net of excess provision of Rs. 13,12,000 of previous year written back — Previous Year Rs. Nil) .....		36,20,000	45,00,000
(b) Non Whole-time Directors (net of excess provision of Rs. 10,18,500 of previous year written back — Previous Year Rs. 6,96,000) restricted to.. ..		(18,500)	8,04,000
		<u>36,01,500</u>	<u>53,04,000</u>
<p>Notes: (i) For the purpose of the above computation, in respect of assets relating to the electricity business of the Company, depreciation for the year and in respect of discarded assets, has been considered as per the provisions of the Electricity (Supply) Act, 1948, in lieu of depreciation under Section 350 of the Companies Act, 1956. The Company has also received legal opinion supporting this treatment.</p> <p>(ii) The Company has been legally advised that commission payable to the non Whole-time Directors in terms of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, does not require the approval of the Central Government. The Company has, therefore, not applied for such approval.</p>			

Signatures to Notes and Schedules "A" to "I" and "1" to "5"  
For and on behalf of the Board,R. N. TATA  
Chairman.D. G. MEHRA  
Director.B. J. SHROFF  
Secretary.

Mumbai, 14th June, 2000.

## Notes forming part of the Accounts

### 1. Major Accounting Policies:-

#### (a) Fixed Assets :

- (i) All fixed assets are stated at cost less depreciation. Cost comprises the purchase price and any other attributable costs, other than financing costs (which are charged to the Profit and Loss Account), of bringing the asset to its working condition for its intended use.
- (ii) In respect of loans and supplier's credit arrangements for purchase of fixed assets repayable in foreign currencies relating to the electricity business as Licensee, the net increase in the Company's liability for repayment consequent upon realignments in rupee value in terms of foreign currency values and cost of rollover charges on forward contracts has not been added to the cost of assets and, accordingly, no depreciation has been provided thereon. The increase or decrease is recognised in the Profit and Loss Account over the period of repayment of the liabilities on the basis of the realised losses or gains on repayment and the amount of increase remaining to be charged off on the basis of future repayment is shown as an asset in the Balance Sheet.

#### (b) Depreciation :

- (i) Depreciation for the year in respect of assets relating to the electricity business of the Company as Licensee has been provided on straight line method in terms of the Electricity (Supply) Act, 1948 on the basis of Central Government Notification No.S.O.265(E) dated 27th March, 1994, except that computers acquired on or after 1st April, 1998 are depreciated at the rate of 33.40% p.a. on the basis of approval obtained from the State Government.
- (ii) Depreciation for the year in respect of assets relating to the electricity business of the Company as other than a Licensee has been provided on straight line method in terms of the Electricity (Supply) Act, 1948 on the basis of Central Government Notification No.S.O.266(E) dated 29th March, 1994.
- (iii) In respect of assets relating to the other business of the Company, depreciation has been provided for on written down value basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, except in the case of technical know-how which is written off on a straight line basis over a period of six years.
- (iv) Leasehold Land is amortised over the period of the lease.

#### (c) Investments :

Long term investments are carried at cost less provision, if any, for permanent diminution in value of such investments. Current investments are carried at lower of cost and fair value.

#### (d) Inventories :

Inventories of stores and spare parts and loose tools are valued at or below cost. Cost is ascertained on weighted average basis. Work-in-progress is valued at lower of cost and net realisable value and in the case of electronic products includes attributed profits. Cost includes material costs, labour and manufacturing overheads on the basis of absorption costing.

#### (e) Research and Development Expenses :

Research and Development costs of a revenue nature are charged as an expense in the year in which these are incurred.

#### (f) Warranty Expenses :

Anticipated product warranty costs for the period of warranty are provided for in the year of sale. Other warranty obligations are accounted for as and when claims are admitted.

#### (g) Foreign Exchange Transactions :

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at the year-end rate and the difference in translation and realised gains and losses on foreign exchange transactions (other than for fixed assets) are recognised in the Profit and Loss Account. In respect of transactions covered by foreign exchange contracts, the difference between the contract rate and the spot rate on the date of the transaction is charged to the Profit and Loss Account over the period of the contract.

#### (h) Retirement Benefits :

Provisions for accruing liability for gratuity, pension and leave encashment on separation have been made on the basis of the liability as actuarially determined as at the year-end. There are no separate trust funds in respect of these liabilities.

#### (i) Revenue Recognition :

- (i) Revenue from Power Supply is accounted for on the basis of billings to consumers and is inclusive of Fuel Adjustment Charges.
- (ii) Delayed payment charges for power supply are recognised as and when recovered.

#### (j) Accounting for Contracts :

- (i) Income on contracts for construction, technical services related to construction of assets, etc. is accounted for on "completed contract" basis and included in "Other Income". Expenditure incurred during the pendency of contracts is carried forward as work-in-progress.



**TATA ELECTRIC****Eighty-first annual report 1999-2000****The Tata Power Company Limited**

- (ii) Income on contracts related to manufacture of electronic products is accounted for on "percentage of completion" basis. Expenditure incurred during the pendency of such contracts plus attributed profits is carried forward as work-in-progress.
- (k) Issue Expenses :
  - (i) Expenses incurred in connection with issue of Rights Shares and Global Depository Shares are amortised over the remaining period of the licence for supply of electricity, in accordance with the treatment adopted for the determination of "Clear Profit" under the Electricity (Supply) Act, 1948. However, the closing balance of the expenditure in connection with Global Depository Shares carried forward under 'Miscellaneous Expenditure (to the extent not written off)' has been disclosed as an adjustment against Share Premium.
  - (ii) Expenses incurred in connection with the issue of Euro Notes are adjusted against Share Premium.
  - (iii) Discount on issue of Euro Notes are amortised over the tenure of the Notes.
- 2. (a) The assets and liabilities shown in the Balance Sheet include such amounts as relate to this Company of the assets and liabilities jointly held with The Tata Hydro-Electric Power Supply Company Limited (Tata Hydro) and The Andhra Valley Power Supply Company Limited (Andhra Valley).
- (b) All expenses (other than depreciation) and income of the hydro generating stations solely owned by the Company, Tata Hydro and Andhra Valley respectively, as also expenses and income of generating stations and divisions owned by the Company jointly with Tata Hydro and Andhra Valley are considered as joint expenses and income and allocated between the Companies in the proportion of 5:2:3.
- 3. (a) Accounting Standard 10 (AS-10) issued by The Institute of Chartered Accountants of India requires financing costs relating to borrowings attributable to the acquisition and construction of fixed assets to be capitalised upto the date the assets are ready for use. However, in accordance with past practice and consistent with the treatment adopted for determination of "Capital Base" and "Clear Profit" under the Electricity (Supply) Act, 1948, the Company has charged financing costs to the Profit and Loss Account. The effect on profit for the year and reserves as at the end of the year, if financing costs had been capitalised, has not been determined.
- (b) Accounting Standard 11 (AS-11) issued by The Institute of Chartered Accountants of India requires exchange differences arising on repayment/realignment of liabilities incurred for the purpose of acquiring fixed assets, which are carried in terms of historical cost, to be adjusted in the carrying amount of the respective fixed assets. However, in accordance with past practice and consistent with the treatment adopted for determination of "Capital Base" and "Clear Profit" under the Electricity (Supply) Act, 1948, the Company has dealt with such differences in accordance with the accounting policy enunciated in Note 1(a)(ii) above. The effect on profit for the year and reserves as at the end of the year, if exchange differences had been adjusted in the carrying amount of fixed assets, has not been determined.
- 4. Pursuant to a change in the rate of depreciation on computers acquired on or after 1st April, 1998 as stated in Note 1(b)(i) above, the depreciation charge for the year is higher by Rs. 15.56 lakhs.
- 5. The expenses (net of applicable income) and depreciation shown in the Profit and Loss Account include Rs. 37.08 lakhs (31st March, 1999- Rs. 44.74 lakhs) and Rs. 4.26 lakhs (31st March, 1999 - Rs. 3.30 lakhs) respectively in respect of Research and Development activities undertaken during the year.
- 6. The Special Appropriation towards Project Cost made during the year includes Rs. 588.69 lakhs, which is subject to the approval of the State Government for which an application is being made.
- 7. "Reasonable Return" for the purposes of the Sixth Schedule to the Electricity (Supply) Act, 1948 has been computed in accordance with legal advice obtained by the Company regarding the correct interpretation of the Government of India notification dated 5th May, 1999. Any adjustment necessary in this account will be made by adjusting an equivalent amount against the Special Appropriation towards Project Cost after obtaining the approval of the Government of Maharashtra.
- 8. (a) Contingencies Reserve No.1 represents the transfer to such reserves in terms of para IV of the Sixth Schedule to the Electricity (Supply) Act, 1948.
- (b) Contingencies Reserve No.2 represents the transfer to such reserves in respect of the "Net surplus on cancellation of foreign exchange forward cover contracts," in accordance with the approval of the State Government.
- 9. The Company has been legally advised that the Company is considered to be established with the object of providing infrastructural facilities and accordingly, Section 372A inserted by the Companies (Amendment) Act, 1999 effective 31st October, 1998 is not applicable to the Company.





10. The Company jointly with Tata Hydro and Andhra Valley has, in consideration of loan facilities and deferred payment guarantee facilities aggregating to Rs.950 crores and Rs.520 crores respectively extended by the Financial Institutions and Banks to Haldia Petrochemicals Limited (HPL), given an undertaking to such Financial Institutions and Banks not to dispose of its investments in HPL without their prior consent so long as any part of the loan / guarantee limits sanctioned by them to HPL remains outstanding as also to meet shortfall, if any, which may arise in respect of project completion or working capital requirements. Through a separate *inter se* agreement among the promoters of HPL, the Companies' liability in relation to the shortfall, if any, will be borne by the promoters in the ratio of their shareholding in HPL, the Company's share being 3.57%.
11. The Company has investments of Rs. 2264.64 lakhs in the preference shares of Tata Ceramics Limited (TCL). During the year loans due from TCL aggregating to Rs. 895.73 lakhs and interest accrued thereon aggregating to Rs. 172.76 lakhs have been converted into Preference Shares and the balance aggregating to Rs. 115.17 lakhs has been treated as advances towards investment in Preference Shares. Further, the Company has issued guarantees on behalf of TCL to third parties jointly with Tata Hydro and Andhra Valley aggregating to Rs. 949.42 lakhs. TCL has incurred substantial losses but having regard to the long term involvement of the Company, Tata Hydro and Andhra Valley with TCL and the programme for the rehabilitation of TCL, no provision has been made on this account. However, the Company's equity investment in TCL has been fully written down.
12. Capital commitments not provided for are estimated at Rs. 9858.01 lakhs, as certified by a Whole-time Director (31st March, 1999 - Rs. 4006.99 lakhs).
13. Certificate of Deposit in foreign currency with State Bank of India, London Rs. 35966.73 lakhs (31st March, 1999 - Rs. 33166.47 lakhs) and with State Bank of India, New York Rs. 25137.80 lakhs (31st March, 1999 - Rs. 21888.84 lakhs), amount in Current Account with Chase Manhattan Bank, New York Rs. Nil (31st March, 1999 - Rs. 198.66 lakhs) and Call Deposits with banks in foreign currency Rs. Nil (31st March, 1999 - Rs. 12146.70 lakhs) are out of the proceeds of the Euro Notes issued and interest earned thereon.
14. The Company jointly with Tata Hydro and Andhra Valley has entered into financial lease agreements for assets taken on lease, of which the Company's share of cost of assets aggregates Rs. 4040.82 lakhs (31st March, 1999- Rs. 4040.82 lakhs). The Company's share of future lease rental obligations on these assets aggregates Rs. 541.58 lakhs (31st March, 1999- Rs. 886.60 lakhs). Lease rentals of Rs.344.60 lakhs (1998-99 - Rs. 456.94 lakhs) payable for the year have been charged to the Profit and Loss Account.
15. The Wage Agreement entered into by the Company with the employees had expired on 31st December, 1997 and provision on an estimated basis of additional liability for the period from 1st January, 1998 to 31st March, 1999 had been made under item 1(a) of Schedule "2". The fresh agreement which was under negotiation was finalised during the year. Accordingly, the provision in respect of arrears paid, made in earlier years, was reversed in item 1(a) of Schedule "2" and the arrears payable under the agreement are charged in the respective heads under 'Payments to and Provisions for Employees' in Schedule "2".
16. 14% Twelfth Debentures of the face value of Rs. 5644.38 lakhs redeemed by the Company have been kept alive for reissue.
17. The Company had under Court Order kept 5,77,850 Right shares in abeyance for allotment and provision for dividend had been made thereagainst. As 4,40,270 shares are not required to be allotted, the provision for dividend aggregating to Rs. 63,39,887 has been reversed. The Company has also cancelled the forfeiture of 2,060 shares on which dividend for previous year aggregating to Rs. 7,622 has become payable.
18. "Other Advances" include Rs. 3440.18 lakhs (31st March, 1999 - Rs. Nil) being application money/advances towards proposed investment in shares of companies.
19. Under agreements for an aggregate value of U.S.Dollars 55 million made between the Company jointly with Tata Hydro, Andhra Valley and (a) Diamond Lease Company Limited and (b) Mitsui Leasing and Development Limited and other Companies, all of Japan, the Companies have sold for cash and simultaneously repurchased on deferred payment basis part of the equipment acquired for the Trombay 2nd 500 MW (Unit 6) Project with a view to obtaining from the said parties loans for financing part of the cost of the Project. The deferred payment obligations [item (c) - Schedule "D"] under the above arrangements have been guaranteed by State Bank of India against:-
  - (a) a first charge created over the entire moveable/immoveable assets of the Company, both present and future, but subject to charges created/to be created in favour of bankers on the current assets. The above charges will rank on a *pari passu* basis with charges in favour of existing lenders for their loans for the 1st 500 MW Unit and 2nd 500 MW Unit and in favour of some of the debenture trustees and
  - (b) a counter guarantee furnished by the Company jointly with Tata Hydro and Andhra Valley.
20. Under an agreement for an aggregate value of Japanese Yen 1440 million made between the Company jointly with Tata Hydro, Andhra Valley and Kanematsu Corporation, Japan, the Companies have obtained supplier's credit for part financing the import of equipment for 245 kV Gas Insulated Switchgear for Borivli Receiving Station. The deferred payment obligations [item (d) - Schedule "D"] under the above arrangements have been guaranteed by State Bank of India.
21. (a) Sundry Creditors [item (b) under 'Current Liabilities' - Schedule "H"] include Rs. 4.12 lakhs (31st March, 1999 - Rs. 14.67 lakhs) due to small scale and ancillary undertakings. This amount has been determined to the extent such parties have been identified from available information.
- (b) The small scale and ancillary undertaking to whom amounts outstanding for more than 30 days together with Tata Hydro and Andhra Valley, exceeded Rs. 1 lakh is as under:  
Pioneer Plastic Industries.

**TATA ELECTRIC****Eighty-first annual report 1999-2000****The Tata Power Company Limited****22. Contingent Liabilities:-**

- (a) Claims against the Company not acknowledged as debts Rs. 5752.13 lakhs (31st March, 1999 - Rs. 5556.64 lakhs).  
 (b) Other employee matters - amount not ascertainable.  
 (c) Taxation matters for which liability is disputed by the Company and provision is not made (computed on the basis of assessments which have been re-opened and assessments remaining to be completed):

	Rs. in lakhs	
		As at 31st March, 1999
(i) matters on which there are decisions of the appellate authorities in the Company's favour, not accepted by the tax authorities .....	1817.10	333.00
(ii) other matters in respect of which the Company is in appeal .....	401.01	170.47
(iii) interest and penalty demanded .....	1436.54	158.16
(d) In respect of guarantees issued jointly with Tata Hydro and Andhra Valley on behalf of other Companies (including guarantee of Rs.949.42 lakhs referred to in Note 11) .....	1149.42	2822.04
(e) Uncalled liability on partly paid shares .....	Nil	901.79

**Note:** If any liability materialises in respect of items (a) to (c) above, the same would have to be considered for the purposes of the computations and appropriations under the Electricity (Supply) Act, 1948, to the extent it pertains to the electricity business.

23. (a) (i) Provision has been made in the accounts for supply of gas upto 29th January, 1987 by Oil and Natural Gas Commission (ONGC) on the basis of their bills. The Company has been advised that the price at which the gas is billed is to be treated as provisional. The Company has not accepted this position.  
 (ii) In respect of gas supplied by ONGC from 30th January, 1987 to 15th May, 1992, transportation charges have been billed on a provisional basis. The Company has also been advised that the excise duty and octroi, if levied, on the price of gas, together with the sales tax on the excise duty, transportation charges and octroi would be recovered from the Company, Tata Hydro and Andhra Valley.  
 (iii) Supply of gas by Gas Authority of India Ltd. (GAIL) with effect from 1st January, 1996 to 30th September, 1997 and from 1st October, 1997 to 15th April, 1998 has been booked in the accounts on the basis of provisional billings by GAIL. The provisional billing rates charged by GAIL are in pursuance of pricing notification dated 31st December, 1991 and 18th September, 1997 respectively issued by Ministry of Petroleum and Natural Gas, Government of India.  
 (iv) In respect of gas purchased from ONGC and later from GAIL, claims aggregating to Rs.4009.02 lakhs (31st March, 1999 - Rs.3071.71 lakhs) has been made on the Company, jointly with Tata Hydro and Andhra Valley towards shortfall in the off take of minimum guaranteed quantities of gas during the year from 1992-93 to 1999-2000 which claim has been contested by the Companies.  
 (v) The cost of supply of fuel by Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Limited during the year have been booked in the accounts on the basis of the Company's meter reading and not as per the bills raised by the suppliers based on their meter reading. The difference of Rs. 674.69 lakhs is being contested by the Company.  
 (b) If any amount is payable by the Company jointly with Tata Hydro and Andhra Valley in respect of the items referred to in (a) above, the same would be recoverable as part of fuel surcharge from the consumers. No provision has, therefore, been made in the accounts in respect of these items.

24. Other Operation Expenses [item 2(h) - Schedule "2"] include: Rs. 402.33 lakhs (Previous Year - Rs. Nil) towards Y2K compliance expenses.

25. Miscellaneous Expenses [item 4(k) of Schedule "2"] include:

- (a) Rs. 17.70 lakhs towards Y2K compliance expenses.  
 (b) Rs. 1.20 lakhs (Previous Year - Rs. 1.20 lakhs) being the fees of directors as consultants/technical advisers for professional services rendered by them. Where a car has been provided to them for professional work in terms of their appointment, recoveries are being made for personal use which the Company considers as sufficient.  
 (c) Rs. Nil (Previous Year - Rs. 26.63 lakhs) being charge paid on prepayment of loans and debentures.  
 (d) Rs. 10.00 lakhs (Previous Year - Rs. Nil) being contribution to the Electoral Trust whose objects *inter alia* include "distribution funds" to be held by the Trustees for distribution to political parties.

26. The Company has paid during the year lumpsum amounts aggregating to Rs. 10.64 lakhs and monthly payments aggregating to Rs. 1.50 lakhs under post retirement scheme to former Managing Directors.

27. Information in regard to components consumed relating to the manufacturing activities of the Company jointly with Tata Hydro and Andhra Valley:

	Nos.	Rs.in lakhs	1998-99	
			Nos.	Rs.in lakhs
(i) Integrated Circuits .....	5002	36.89	13635	66.98
(ii) Others (including diodes, transistors, printed circuit boards, etc.) .....		353.59		339.11
		390.48		406.09
Applicable to the Company (50%) .....		195.25		203.04



28. (a) Total number of units sold during the year jointly with Tata Hydro and Andhra Valley were 9204 M.U. (1998-99 - 9014 M.U.).  
 (b) Total number of units purchased during the year jointly with Tata Hydro and Andhra Valley were 36 M.U. (1998-99 - 81 M.U.).
29. Turnover, opening and closing stock relating to the manufacturing activities of the Company jointly with Tata Hydro and Andhra Valley:

## Class of Products

	Turnover			
	Rs. in lakhs			
			1998-99	
	Nos.	Value	Nos.	Value
(i) Air Traffic Control Display .....	—	—	1	8.64
(ii) Ruggedised Minicomputer/Microprocessor based Systems .....	40	176.37	12	86.46
(iii) Platform Servo Controller Systems .....	4	172.98	2	263.04
(iv) Radar Data Processor .....	2	92.80	1	34.80
(v) Global Position Systems .....	—	—	1	1.50
(vi) Sub system for Airborne Applications .....	28	8.66	111	50.99
(vii) Sub system for Locomotive .....	8	107.56	—	—
(viii) Spares .....		219.19		99.92
(ix) Others .....		33.36		91.00
		810.92		636.35
Applicable to the Company (50%) .....		405.46		318.17
Opening stock and closing stock in respect of the above items - Nil.				

	Rupees	1998-99 Rupees
30. (a) (i) Managerial Remuneration, excluding provisions for retiring gratuities and leave encashment on separation for which separate figures are not available but inclusive of commission to Whole-time Directors and other Directors ...	58,60,380	73,41,000
(ii) Estimated value of benefits in cash or in kind provided to Whole-time Directors .....	9,19,117	7,82,966
	67,79,497	81,23,966

## (b) Managerial Remuneration shown above includes :

- (i) Rs.79,38,997 (31st March, 1999 - Rs.71,87,966) for two Whole-time Directors whereof a proportionate share (50%) has been allocated to Tata Hydro and Andhra Valley.
- (ii) Rs.23,30,500 (31st March, 1999 - Rs.6,96,000) being write back of excess provision for commission relating to previous year.

	Rupees	1998-99 Rupees
31. (a) Details of Auditors' Remuneration :		
(i) Audit fees * .....	15,75,000	11,55,000
(ii) Fees for taxation matters** .....	4,85,100	3,30,000
(iii) Fees for company law matters .....	20,000	20,000
(iv) Fees for other services .....	16,13,938	10,97,500
(v) Reimbursement of out-of-pocket expenses (included under Miscellaneous Expenses) .....	41,034	1,54,323

\* Includes Service Tax Rs. 75,000 (1998-99 - Rs. 55,000)

\*\* Includes Service Tax Rs. 23,100 (1998-99 - Rs. Nil).

Note : The amount in item (iv) above includes Rs. Nil (31st March, 1999 - Rs. 5,25,000) being the fees paid for report on the Company's expansion plans included in "Other Advances".

- (b) Cost of Services Procured [item 4(j) - Schedule "2"] includes Rs. Nil (1998-99 — Rs. 1,57,776) paid as consultancy fees to a Company in which partners of the Auditors are interested.

**TATA ELECTRIC****Eighty-first annual report 1999-2000****The Tata Power Company Limited**

32. Licensed and installed capacities and production relating to the manufacturing activities of the Company jointly with Tata Hydro and Andhra Valley:

Class of Products	Licensed Capacity	Installed Capacity*	Production	1998-99		
				Licensed Capacity	Installed Capacity*	Production
	Nos.	Nos.	Nos.	Nos.	Nos.	Nos.
(i) Video Mappers .....	15	15	—	15	15	—
(ii) Tactical Display Consoles .....	50	15	—	50	15	—
(iii) Ruggedised Minicomputer/Microprocessor based Systems .....	70	70	40	70	70	12
(iv) Simulators .....	30	5	—	30	5	—
(v) Platform Servo Controller System with Microprocessor Console Option .....	20	5	4	20	5	2
(vi) Sonobuoys .....	3000	500	—	3000	500	—
(vii) AMTI/Radar Data Processor .....	10	10	2	10	10	1
(viii) Air Traffic Control Display .....	20	20	—	20	20	1
(ix) Display Test Sets .....	50	20	—	50	20	—
(x) Low Frequency Receivers .....	20	10	—	20	10	—
(xi) GPS receivers .....	—	500	—	—	500	1
(xii) Sub Systems for Airborne Applications ..	—	500	28	—	500	111
(xiii) Switched Mode Power Supplies .....	400	—	—	—	—	—
(xiv) Modems .....	200	—	—	—	—	—
(xv) Power Line Monitors .....	200	—	—	—	—	—
(xvi) Sub Systems for Locos .....	—	20	8	—	—	—

\* As certified by the concerned Senior Manager and accepted by the Auditors.

			1998-99	
			Rupees	Rupees
33. (a) C.I.F. value of imports:				
(i) Capital goods .....		7,47,50,181		9,27,19,158
(ii) Components and spare parts .....		7,54,38,721		13,29,12,679
(iii) Fuel .....		241,02,33,372		138,94,12,780
(b) Expenditure in foreign currency:				
(i) Professional and consultation fees .....		3,05,62,995		3,38,60,318
(ii) Interest and commitment charges .....		70,77,93,014		80,26,02,578
(iii) Other matters .....		1,85,38,686		1,85,43,672

- (c) Value of components, stores and spare parts consumed:

- (1) Relating to activities other than manufacturing activities (including fuel consumed):

			1998-99	
(i) Imported .....	Rs. 335,24,83,934	54.71%	Rs. 223,00,87,727	50.65%
(ii) Indigenous .....	" 277,46,41,386	45.29%	" 217,24,88,377	49.35%
	Rs. 612,71,25,320	100.00%	Rs. 440,25,76,104	100.00%

- (2) Relating to manufacturing activities:

(i) Imported .....	Rs. 1,27,55,747	65.33%	Rs. 1,29,01,695	63.54%
(ii) Indigenous .....	" 67,68,802	34.67%	" 74,02,947	36.46%
	Rs. 1,95,24,549	100.00%	Rs. 2,03,04,642	100.00%

- (d) Remittances by the Company in foreign currencies for dividends (including amounts credited to Non-Resident External Accounts):

			1998-99	
			31st March, 1999	31st March, 1998
Dividend for the year ended				
No. of non-resident shareholders .....		1,676		1,676
No. of Equity Shares of face value Rs.10 each held .....		26,47,010		27,06,560
Amount of Dividend .....		Rs.97,93,937		Rs. 1,00,14,272

The above excludes Rs.86,20,445 (1998-99 - Rs.1,70,12,970) being dividend remitted to non-resident depository of the Global Depository Shares holding 23,29,850 Shares (1998-99 - 45,98,100 Shares).

The Company does not have information as to the extent to which other remittances in foreign currencies on account of dividends have been made by or on behalf of non-resident shareholders.

			1998-99	
			Rupees	Rupees
(e) Earnings in foreign exchange:				
(i) Interest .....		34,11,54,115		34,54,88,941
(ii) Others .....		18,98,63,000		—

34. Previous year's figures have been restated, wherever necessary, to conform to this year's classification.

## Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956 :

## Balance Sheet Abstract and Company's General Business Profile

## I. Registration Details

Registration No. 11-00567

State Code 11

Balance Sheet Date 31/03/2000  
Date Month Year

## II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue  
NILBonus Issue  
NILRights Issue  
NILPrivate Placement  
NIL

## III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities  
31045948Total Assets  
31045948

## Sources of Funds

Paid-up Capital  
1155422Secured Loans  
6243125Application of Funds  
Net Fixed Assets  
14190241Net Current Assets  
3276058Accumulated Losses  
NILReserves and Surplus  
(including Special Appropriation towards Project Cost—23,05,547  
and Capital Contributions from Consumers—2,06,296)

17410468

Unsecured Loans  
6236933Investments  
13549194Misc. Expenditure  
30455

## IV. Performance of the Company (Amount in Rs. Thousands)

Turnover (Total Income)  
15709330+ - Profit/(Loss) Before Tax  
✓ 3296190

(Please tick Appropriate box + for profit, - for loss)

## Earnings per Share (Rs.)

(on profit after taxes) 20.06 (on distributable profits) 17.88

Total Expenditure  
12413140+ - Profit/(Loss) After Tax  
✓ 2320274

Dividend Rate (%)

42

## V. Generic Names of three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)  
N.A.Item Code No. (ITC Code)  
N.A.Item Code No. (ITC Code)  
N.A.

## Product Description

POWER

## Product Description

ELECTRONIC PRODUCTS

## Product Description

TECHNICAL SERVICES

**TATA ELECTRIC****Eighty-first annual report 1999-2000****The Tata Power Company Limited****Cash Flow Statement for the year ended 31st March, 2000**

	Year ended 31-03-2000 Rs. Lakhs	Year ended 31-03-1999 Rs. Lakhs
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Taxes and Extraordinary Items	32,961.90	24,468.20
Adjustments for:		
Depreciation	10,059.76	9,460.95
Interest Expenditure	10,453.68	9,889.07
Interest Income	(1,319.78)	(2,433.39)
Income from Trade Investments	(646.93)	(442.04)
Income from Other Investments	(3,916.95)	(2,751.17)
Dividend Income from Units	(2,464.68)	(4,020.80)
Retiring Gratuities	355.27	251.36
Leave Encashment	161.31	204.09
Pension Scheme	51.76	(92.12)
Charge paid on acquisition/prepayment of Loans	—	57.88
Loss on Sale of Assets (Net)	59.46	34.63
Loss on Exchange on loan repayments (Net)	325.82	493.35
Guarantee Fees for Loans	836.90	913.40
Profit on Sale of Investments (Net)	(6,326.84)	(1,203.28)
Surplus on buy-back of Euro Notes	(1,898.63)	—
Net Increase in Foreign Currency Liabilities written off	2,731.20	2,936.50
Miscellaneous Expenditure written off	98.76	54.76
	<b>8,560.11</b>	<b>13,353.25</b>
Operating Profit before Working Capital Changes	<b>41,522.01</b>	<b>37,821.45</b>
Adjustments for:		
Trade & Other Receivables	(13,594.04)	465.18
Inventories	(255.54)	(2,166.16)
Trade Payables	13,996.09	6,852.40
	<b>146.51</b>	<b>5,151.42</b>
Cash Generated from Operations	<b>41,668.52</b>	<b>42,972.87</b>
Taxes Paid	(6,700.78)	(9,363.84)
Retiring Gratuities Paid	(138.01)	(128.06)
Leave Encashment Paid	(64.71)	(61.49)
Pension Paid	(20.62)	(21.53)
	<b>(6,924.12)</b>	<b>(9,574.92)</b>
Cash Flow before Extraordinary Items	<b>34,744.40</b>	<b>33,397.95</b>
Extraordinary Items	—	—
<b>Net Cash from Operating Activities</b>	<b>A 34,744.40</b>	<b>33,397.95</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(15,673.82)	(14,814.13)
Sale of Fixed Assets	123.67	86.79
Purchase of Investments	(66,740.36)	(11,192.58)
Sale of Investments	61,001.23	53,909.31
Interest Received	1,515.64	2,443.18
Inter-corporate deposits/advances	(10,986.48)	(10,277.90)
Income from Trade Investments	646.93	442.04
Income from Other Investments	3,935.76	2,869.56
Dividend Income from Units and IDBI Shares	2,745.17	4,407.22
<b>Net Cash used in Investing Activities</b>	<b>B (23,432.26)</b>	<b>27,873.49</b>
<b>C. Cash Flow from Financing Activities</b>		
Monies received towards Share Capital and Share Premium	17.62	89.51
Increase in Capital Contributions	45.73	625.23
Proceeds from Borrowings	32,915.94	13,863.49
Repayment of Borrowings	(31,253.87)	(8,741.21)
Charge paid on acquisition/prepayment of Loans	—	(57.88)
Guarantee/Upfront Fees for Loans	(983.59)	(920.28)
Interest Paid	(11,616.83)	(9,949.12)
Dividend Paid	(4,280.25)	(4,287.56)
Additional Income-tax on Dividend Paid	(473.09)	(430.17)
<b>Net Cash used in Financing Activities</b>	<b>C (15,628.34)</b>	<b>(9,808.59)</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(A+B+C) (4,316.20)</b>	<b>51,462.85</b>
Cash and Cash Equivalents as at 1st April, 1999 (Opening Balance)	68,116.36	16,653.51
Cash and Cash Equivalents as at 31st March, 2000 (Closing Balance)	<b>63,800.16</b>	<b>68,116.36</b>
<b>Notes:</b>		
1. Cash and cash equivalents is inclusive of Certificates of Deposit (after exchange rate differences of Rs. 1,860.03 lakhs — 31st March, 1999—Rs. 3,630.48 lakhs) Rs. 61,104.53 lakhs — 31st March, 1999 — Rs. 55,055.31 lakhs and exchange rate differences (net) on other items Rs. (0.55 lakhs) — 31st March, 1999 — Rs. 800.94 lakhs.		
2. Previous year's figures have been restated, wherever necessary, to conform to this year's classification.		
For and on behalf of the Board,		
Mumbai, 14th June, 2000.	B. J. SHROFF Secretary.	D. G. MEHRA Director.
		R. N. TATA Chairman.
<b>AUDITORS' CERTIFICATE</b>		
To, The Board of Directors The Tata Power Company Limited Bombay House, 24, Homi Mody Street Fort, Mumbai 400 001.		
We have examined the attached Cash Flow Statement of The Tata Power Company Limited for the year ended 31st March, 2000. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreement with the Stock Exchanges and is based on and derived from and, where applicable, in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 14th June, 2000 to the members of the Company.		
For S. B. Billimoria & Co. Chartered Accountants,		For A. F. Ferguson & Co. Chartered Accountants,
Y. H. MALEGAM Partner, Mumbai, 14th June, 2000.		R. A. BANGA Partner.





## GENERAL SHAREHOLDER INFORMATION

<b>AGM : Date, time and venue</b>	: On Thursday, 10 <sup>th</sup> August 2000 at 3.00 p.m. at Birla Matushri Sabhagar 19, Sir Vithaldas Thackersey Marg Mumbai 400 020.
<b>Financial Calendar - Year ending</b>	: March
<b>AGM</b>	: August
<b>Final Dividend Payment</b>	: 5%
<b>Date of Book Closure</b>	: 26 <sup>th</sup> July 2000 to 10 <sup>th</sup> August 2000
<b>Dividend Payment Date</b>	: 16 <sup>th</sup> August 2000 onwards
<b>Listing on Stock Exchanges</b>	: The Company's Shares are listed on the following 5 Stock Exchanges in India :

### The Stock Exchange, Mumbai (Regional Stock Exchange)

Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001.

### The Stock Exchange, Ahmedabad

Kamdhenu Complex  
Opp. Sahajanand College,  
Panjara Pole  
Ahmedabad 380 015.

### Pune Stock Exchange Ltd.

Shivleela Chambers  
752, Sadashiv Peth  
R B Kumbhkar Marg  
Pune 411 030.

### The Delhi Stock Exchange Association Ltd.

DSE House  
3/1 Asaf Ali Road  
New Delhi 110 002.

### National Stock Exchange of India Ltd.

Trade World  
Kamala Mills Compound  
Senapati Bapat Marg  
Lower Parel  
Mumbai 400 013.

The Global Depository Shares (GDS) issued by the Companies in the International Market have been listed on the Luxembourg Stock Exchange and have been accepted for clearance through Euroclear and Cedel. They have also been designated for trading in the PORTAL System of the National Association of Securities Dealers, Inc.

*Note : The Companies have paid the requisite Annual Listing Fees to the above Stock Exchanges for the financial year 1999-2000.*

### Stock Code

The Stock Exchange, Mumbai  
Equity Shares (physical form)  
(demat form)

400

500400

National Stock Exchange of India Ltd.

TATAPOWER EQ

### Market Information -

(a) Market Price Data : High, Low during each month and trading volumes during the last financial year at BSE are given below :-

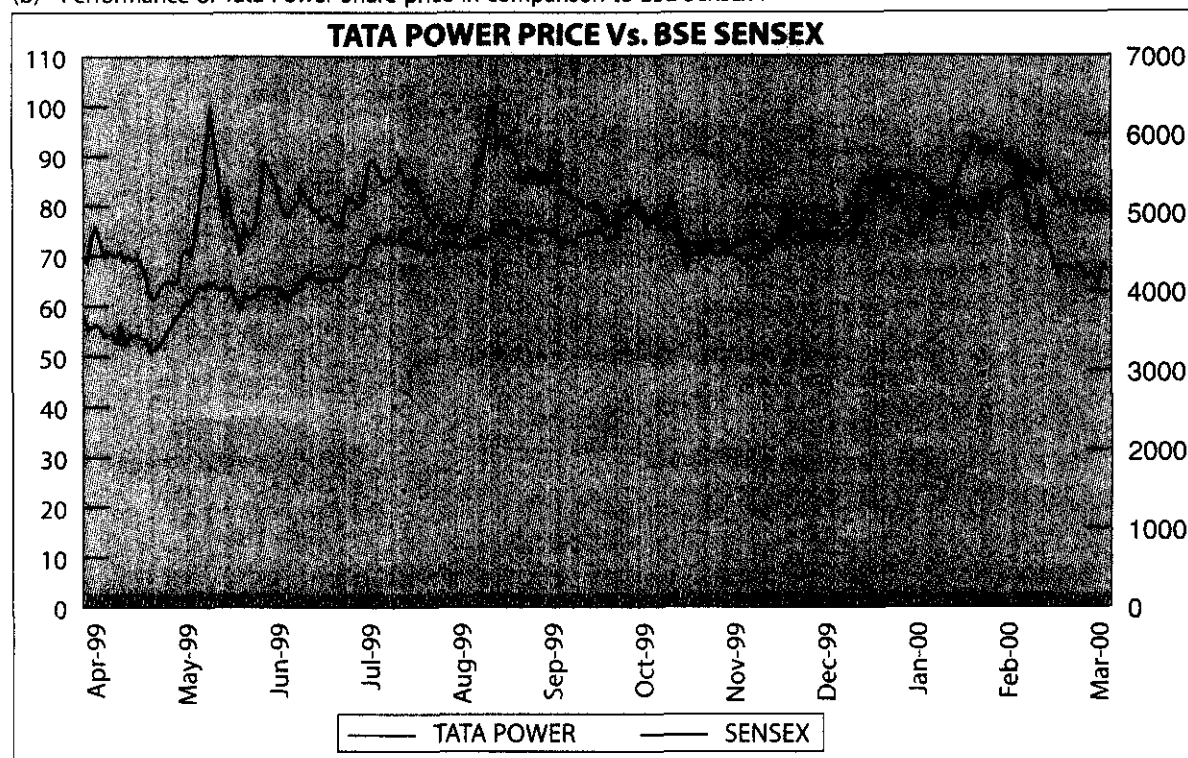
Month	High	Low	Average Volume (No. of Shares)
April 1999	75.95	61.25	106051
May 1999	99.80	64.00	293141
June 1999	89.00	74.00	125151
July 1999	89.20	76.15	353088
August 1999	100.20	75.00	757576
September 1999	90.45	79.00	204291
October 1999	81.90	72.65	189355
November 1999	72.75	68.45	89015
December 1999	77.00	70.60	138336
January 2000	87.20	73.25	176852
February 2000	89.50	75.10	165505
March 2000	81.00	65.00	82156

**TATA ELECTRIC**

Eighty-first annual report 1999-2000

**The Tata Power Company Limited**

(b) Performance of Tata Power Share price in comparison to BSE SENSEX :



**Registrars and Transfer Agents** : Tata Share Registry Ltd.  
 Army & Navy Bldg.  
 148, Mahatma Gandhi Road  
 Mumbai 400 001.  
 Tel. 2873831  
 Fax 2044700 / 2844160  
 Email tsrl@bom2.vsnl.net.in

**Share Transfer System** : Share Transfers in physical form can be lodged with Tata Share Registry Ltd. at the abovementioned address or at their branch offices, addresses of which are available on — website <http://www.tata.com/tsrl>

The Transfers are normally processed within 30 days from the date of receipt. If the documents are complete in all respects, members of the Share Transfer/Transmission Committee are severally empowered to approve transfers.

**Distribution of Shares (as on 31st March, 2000)**

	No. of Members	Equity Shares	
		Face Value Rs.	Percent
Life Insurance Corporation of India .....	1	10,87,96,690	9.42
GIC & Other Insurance Companies .....	5	9,12,15,450	7.90
Unit Trust of India .....	1	4,92,78,070	4.27
Other Financial Institutions .....	3	2,03,29,830	1.76
Nationalised Banks .....	14	20,13,400	0.17
Mutual Funds .....	25	2,71,09,500	2.35
FIs & GDR Holders .....	43	9,28,21,420	8.04
Individuals .....	80,184	38,25,43,290	33.10
Bodies Corporate, Trusts etc. ....	1,196	38,10,84,830	32.99
<b>Total .....</b>	<b>81,472</b>	<b>1,15,51,92,480</b>	<b>100.00</b>

**Dematerialisation of Shares and Liquidity:**

62.60% of the Company's share, capital is dematerialised as on 31<sup>st</sup> March 2000.

The Company's shares are regularly traded on the Stock Exchange, Mumbai, as is seen from the volume of shares indicated in the Table containing market information.

**Number of GDS outstanding** : 42,998

**Plant Location****a) Thermal Power Station :**

- |   |   |   |
|---|---|---|
| i) Trombay Generating Station<br>Chembur<br>Mumbai 400 074. | ii) Jojobera Power Plant<br>Jojobera<br>Jamshedpur 831 016. | iii) Wadi Power Plant<br>Dist. Gulbarga<br>Karnataka 585 101. |
|---|---|---|

**b) Hydro Generating Station :**

- |   |   |  |
|---|---|--|
| i) Generating Station<br>Bhira P.O. Bhira<br>Taluka Mangaon<br>Dist. Raigad<br>Maharashtra 402 308. | ii) Generating Station<br>Bhivpuri<br>P.O. Bhivpuri Camp<br>Taluka Karjat, Dist. Raigad<br>Maharashtra 410 201. | iii) Generating Station<br>Khopoli<br>P.O. Khopoli Power House<br>Dist. Raigad<br>Maharashtra 410 204. |
|---|---|--|

**c) Tata Electronic Development Services :**

42/43 Electronic City  
Electronic City Post Office  
Hosur Road  
Bangalore 561 229.

**Address for correspondence** : The Tata Power Co. Ltd.  
Bombay House, 24, Homi Mody Street, Mumbai 400 001.  
Tel. No. 2049131 Fax No. 2045359  
Website [www.tata.com/tec](http://www.tata.com/tec)

Report  junction.com

**TATA ELECTRIC**

Eighty-first annual report 1999-2000

**The Tata Power Company Limited****Statement pursuant to Section 212 of the Companies Act, 1956,  
related to Subsidiary Company**

Name of the Subsidiary	Jamshedpur Power Co. Ltd.
1. Financial year of the subsidiary ended on	31st March, 2000
2. Shares of the subsidiary held by the Company on the above date :	
(a) Number	1,99,99,002
Face value	Ordinary Shares of Rs. 10 each
(b) Extent of holding	99.99%
3. Net aggregate amount of profits/(losses) of the subsidiary for the above financial year of the subsidiary, so far as they concern members of the Company.	
(a) dealt with in the accounts of the Company for the year ended 31st March, 2000 (Rs. lakhs)	Nil
(b) not dealt with in the accounts of the Company for the year ended 31st March, 2000 (Rs. lakhs)	Nil
4. Net aggregate amount of profits/(losses) for previous financial years of the subsidiary, since it became a subsidiary so far as they concern members of the Company.	
(a) dealt with in the accounts of the Company for the year ended 31st March, 2000 (Rs. lakhs)	
(b) not dealt with in the accounts of the Company for the year ended 31st March, 2000 (Rs. lakhs)	Nil

For and on behalf of the Board

R. N. TATA  
Chairman

Mumbai, 14th June, 2000

B. J. SHROFF  
Secretary.D. G. MEHRA  
Director.



## **DIRECTORS' REPORT TO THE MEMBERS OF JAMSHEDPUR POWER COMPANY LIMITED**

The Directors have pleasure in submitting their Eighth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2000.

### **2. FINANCIAL RESULTS**

As the Company has not commenced commercial production, pre-operation expenses amounting to Rs. 46,10,687 incurred till March 31, 2000 have been carried forward pending allocation.

### **3. 2 x 120 MW UNITS**

The project is on schedule and it is expected that the first unit will be commissioned by December 2000 and the second unit a year later.

### **4. DIRECTORS**

In accordance with the provisions of the Company Act, 1956 and the Company's Articles of Association, Mr N. P. Sinha retires by rotation and being eligible, offers himself for reappointment.

Mr. Utpal Dhar has resigned as Managing Director of the Company. The Board of Directors has placed on record its appreciation for the contribution made by Mr Dhar during his tenure.

In view of Mr Dhar's extensive knowledge and experience of the Company's operations it was felt that it would be in the interest of the Company to continue to receive the benefit of his advice. The Board of Directors appointed as an Additional Director of the Company effective 2nd July, 1999. A notice as been received from a member proposing Mr Dhar's appointment as Director.

### **5. AUDITORS**

M/s A. F. Ferguson & Co., Chartered Accountants and M/s S. B. Billimoria & Co. Chartered Accounts, Auditors of the Company retire and offer themselves for reappointment.

### **6. REGISTERED OFFICE**

Registered office of the Company has been shifted from Room No. 237, TISCO Main Administrative Building, Jamshedpur, Bihar - 831 001, to Bombay House, 24, Homi Mody Street, Mumbai - 400 001.

### **7. ENERGY/TECHNOLOGY AND FOREIGN EXCHANGE**

As commercial generation of power has not commenced, there are no particulars to be furnished in this report as required under the provisions of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 regarding Generation of Energy and Technology Absorption. There was no foreign exchange earning or outgo during the year.

### **8. PARTICULARS OF EMPLOYEES**

Since the Company had no employees during the year, information required under the provision of section 217(2A) of the Companies Act, 1956 (Particulars of Employees) has not been furnished.

On behalf of the Board of Directors

J. J. IRANI  
Director

N. P. SINHA  
Director

*Registered Office :*  
Room No. 237, Tisco Main  
Administrative Building,  
Jamshedpur - 831 001.  
Date : 5th June, 2000.

**TATA ELECTRIC****Eighth annual report 1999-2000****Jamshedpur Power Company Limited****AUDITORS' REPORT TO THE MEMBERS OF  
JAMSHEDPUR POWER COMPANY LIMITED**

We have audited the attached Balance Sheet of JAMSHEDPUR POWER COMPANY LIMITED as at 31st March, 2000 and report that:

- (1) As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.
- (2) Further to our comments in the Annexure referred to in paragraph 1 above:
  - (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
  - (c) the Balance Sheet dealt with by this report is in agreement with the books of account;
  - (d) in our opinion, the Balance Sheet dealt with in this report is in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - (e) in our opinion, and to the best of our information and according to the explanations given to us, the said Balance Sheet gives the information required by the Companies Act, 1956 in the manner so required and gives a true and fair view of the state of affairs of the Company as at 31st March, 2000.

For A. F. Ferguson & Co.  
Chartered Accountants

A. C. GUPTA  
Partner.

Jamshedpur, 6th June, 2000.

For S. B. Billimoria & Co.  
Chartered Accountants

N. VENKATRAM  
Partner.

**ANNEXURE TO THE AUDITORS' REPORT  
(Referred to in paragraph 1 of our report of even date)**

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management during the year. No discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
2. None of the fixed assets have been revalued during the year.
3. As the Company did not purchase, sell or stock any raw materials, finished goods and stores, the requirements of paragraphs 4A(iii), (iv), (vi), (vii), (xi), (xii), (xiv) and (xvi) of the Order are not applicable.
4. The Company has taken interest-free loans from TEC which, in our opinion, are *prima facie* not prejudicial to the interest of Company. As explained to us, there was no company under the same management within the meaning of the Section 370(1B) of the Companies Act, 1956.
5. The Company has not granted any loans or advances in the nature of loans.
6. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of plant and machinery, equipment and other assets.
7. The Company has not accepted deposits from the public.
8. The Company has used the services of the internal audit department of the Tata Electric Companies during the year. In our opinion, the internal audit system is commensurate with the size of the Company and the nature of its business.
9. Since the Company does not have any employees, paragraph 4A(xvii) of the Order is not applicable.
10. There are no undisputed amounts payable in respect of income tax, sales tax, wealth tax, customs duty and excise duty which are outstanding as at 31st March, 2000 for a period of more than six months from the dates they became payable.
11. According to the information and explanation given to us and the records examined by us, no personal expenses have been charged to Pre-operative Expenses other than those payable under contractual obligation or in accordance with generally accepted business practice.
12. The Company is not a Sick Industrial Company within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For A. F. Ferguson & Co.  
Chartered Accountants

A. C. GUPTA  
Partner.

Jamshedpur, 6th June, 2000.

For S. B. Billimoria & Co.  
Chartered Accountants

N. VENKATRAM  
Partner.





## Balance Sheet as at 31st March, 2000

	Schedule	As at 31-03-2000 Rupees	As at 31-03-1999 Rupees
<b>FUNDS EMPLOYED :</b>			
1. SHARE CAPITAL .....	I	19,99,90,070	19,99,90,070
2. LOANS Unsecured advances from TEC (note 2, Schedule VI) ..		411,73,61,164	90,33,27,074
3. TOTAL FUNDS EMPLOYED ..		431,73,51,234	110,33,17,144
<b>APPLICATION OF FUNDS :</b>			
4. FIXED ASSETS .....	II		
a. Gross Block .....		5,22,319	5,22,319
b. Less — Depreciation .....		2,31,340	1,72,948
c. Net Block .....		2,90,979	3,49,371
d. Capital Work-in-progress ..		431,51,95,293	94,06,38,418
		431,54,86,272	94,09,87,789
5. PRE-OPERATION EXPENSES (Net) (Pending allocation) ..	III	46,10,687	44,69,818
6. CURRENT ASSETS, LOANS AND ADVANCES			
(A) CURRENT ASSETS			
Balance with Scheduled Bank on current account (Including unutilised monies of Rs. 21,84,707 out of issue of shares, previous year Rs. 16,39,93,442) .....		22,50,229	16,40,58,964
Cash in Hand .....		3,294	4,659
(B) LOANS AND ADVANCES Advances with Public Bodies .....		60,000	60,000
(Unsecured, considered good)			
		23,13,523	16,41,23,623
7. Less — CURRENT LIABILITIES AND PROVISIONS .....	IV	51,05,401	63,10,239
8. NET CURRENT ASSETS/ (LIABILITIES) .....		(27,91,878)	15,78,13,384
9. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)			
Preliminary Expenses .....	V	46,153	46,153
10. TOTAL ASSETS (Net) .....		431,73,51,234	110,33,17,144
<b>NOTES FORMING PART OF THE ACCOUNTS .....</b>			
VI			
As per our report attached.			
For A. F. Ferguson & Co. Chartered Accountants,	For and on behalf of the Board,		
A. C. GUPTA Partner,	J. J. IRANI Director,		
For S. B. BILLIMORIA & CO. Chartered Accounts,			
N. VENKATRAM Partner,	N. P. SINHA Director,		
Jamshedpur, 6th June, 2000.	Jamshedpur, 5th June, 2000.		

## Schedules forming part of Balance Sheet

	As at 31-03-2000 Rupees	As at 31-03-1999 Rupees
<b>SCHEDULE "I": SHARE CAPITAL</b>		
AUTHORISED:		
2,00,00,000 Equity Shares of Rs. 10/- each	20,00,00,000	20,00,00,000
ISSUED, SUBSCRIBED AND PAID UP:		
1,99,99,007 Equity Shares of Rs. 10/- each, fully paid up .....	19,99,90,070	19,99,90,070
(of the above, 1,99,99,002 shares are held by The Tata Power Company Ltd.)		

	Gross Block as at 31-03-99	Addition (Deductions)	Gross Block as at 31-03-2000	Total Depreciation as at 31-03-99 upto	Total Depreciation for the year upto 31-03-2000	Total Net Block as at 31-03-2000
<b>SCHEDULE "II": FIXED ASSETS</b>						
Furniture, Fixtures and Office Equipment	5,22,319	—	5,22,319	1,72,948	58,392	2,31,340
	5,22,319	—	5,22,319	1,72,948	58,392	2,31,340
	(5,22,319)	(—)	(5,22,319)	(1,72,948)	(58,392)	(1,72,948)
Capital Work-in- progress (including advances against capital expenditure)						431,51,95,293
						(94,06,38,418)
						431,54,86,272
						(94,09,87,789)
Note: Figures in brackets are for the previous year.						

	As at 31-03-2000 Rupees	As at 31-03-1999 Rupees
<b>SCHEDULE "III": PRE-OPERATION EXPENSES (Net)</b>		
Balance brought forward .....	44,69,818	37,90,814
Add: Expenditure incurred during the year ended 31st March, 2000		
a) Salaries and wages .....	34,864	7,571
b) Rates, taxes and fees .....	40,480	5,98,860
c) Security and other services .....	—	5,93,145
d) Fees paid to Auditors .....	21,000	20,000
e) Depreciation .....	58,392	58,392
f) Other expenses .....	20,997	1,752
	46,45,551	50,70,534
Less: Recovery of employees' salaries and cost of security services from The Tata Electric Companies .....	34,864	6,00,716
	46,10,687	44,69,818

	As at 31-03-2000 Rupees	As at 31-03-1999 Rupees
<b>SCHEDULE "IV": CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
a) Due to The Tata Iron and Steel Company Limited (interest-free advances for meeting preliminary and pre-operation expenses) ..	50,40,805	50,40,805
b) Liability for tax deducted at source .....	440	555
c) Other liabilities .....	45,448	12,50,171
	50,86,693	62,91,531
<b>PROVISIONS</b>		
a) Provision for gratuity .....	18,708	18,708
	51,05,401	63,10,239

**TATA ELECTRIC****Eighth annual report 1999-2000****Jamshedpur Power Company Limited**

SCHEDULE "V": PRELIMINARY EXPENSES		
	As at 31-03-2000	As at 31-03-1999
	Rupees	Rupees
a) Printing charges .....	25,933	25,933
b) Registration charges .....	19,020	19,020
c) Other Initial expenses .....	1,200	1,200
	<u>46,153</u>	<u>46,153</u>

**SCHEDULE "VI": NOTES FORMING PART OF THE ACCOUNTS****1. Accounting Policies:**

The Balance Sheet of the Company has been prepared in conformity with accounting standards specified by the Institute of Chartered Accountants of India. A summary of significant accounting policies is given below:

**a) Fixed Assets:**

Fixed assets are valued at cost less depreciation.

**b) Depreciation:**

Depreciation is provided on a straight line basis applying the rates specified in Schedule XIV to the Companies Act, 1956.

**c) As the Company has not yet commenced generation of power, the other accounting policies have not been stated.****2. In accordance with an agreement between the Company and TEC (Tata Electric Companies comprising The Tata Hydro-Electric Power Supply Company Limited, The Andhra Valley Power Supply Company Limited and the Tata Power Company Limited) dated 12th August, 1998 and the undertaking given by TEC to CEA, the project cost for setting up a 2x120 MW power plant at Jojobera has substantially been financed by TEC. The terms and conditions including repayment terms are pending finalisation with TEC.****3. Since the Company has not commenced the commercial generation of power, a profit and loss account has not been prepared. Meanwhile, the pre-operative expenditure incurred by the Company is being carried forward to be charged to the Profit & Loss Account in the future.****4. Preliminary expenses are being carried forward to be charged over a period of time to the Profit and Loss Account.****5. Estimated amount of contracts remaining to be executed on Capital Account and not provided for: Rs. 1,190 million (31-03-99: Rs. 4,741 million).****6. Managerial Remuneration:—**

Consequent to his appointment as Managing Director of Stewarts & Lloyds of India Limited (S&L) effective 1 April, 1997, the managing director has opted to draw his total remuneration from S&L. He has ceased to be Managing Director of the Company effective 1st July, 1999.

**7. The Balance Sheet has not been authenticated by the Managing Director and Company Secretary as the positions are vacant.****8. Previous year's figures have been regrouped/restated wherever necessary.**



## Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956 :

## Balance Sheet Abstract and Company's General Business Profile

## I. Registration Details

Registration No. 0 3 - 0 4 7 7 5

State Code 0 3

Balance Sheet Date 3 1 0 3 2 0 0 0  
Date Month Year

## II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue  
N I LRights Issue  
N I LBonus Shares  
N I LPrivate Placement  
N I L

## III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

## Sources of Funds

Total Liabilities  
4 3 1 7 3 5 1Paid-up Capital  
1 9 9 9 9 0Secured Loans  
N I L

## Application of Funds

Net Fixed Assets  
(including pre-operation expenses pending allocation — 4,611)  
4 3 2 0 0 9 7Net Current Assets  
( 2 7 9 2 )Accumulated Losses  
N I L

## Total Assets

4 3 1 7 3 5 1

## Reserve and Surplus

N I L

## Unsecured Loans

4 1 1 7 3 6 1

## Investments

N I L

## Misc. Expenditure

4 6

## IV. Performance of the Company (Amount in Rs. Thousands)

## Turnover (Gross Revenue)

N I L

+ - Profit/(Loss) Before Tax  
N I LEarnings Per Share (Rs.)  
N I L

## Total Expenditure

N I L

+ - Profit/(Loss) After Tax  
N I L

## Dividend Rate (%)

N I L

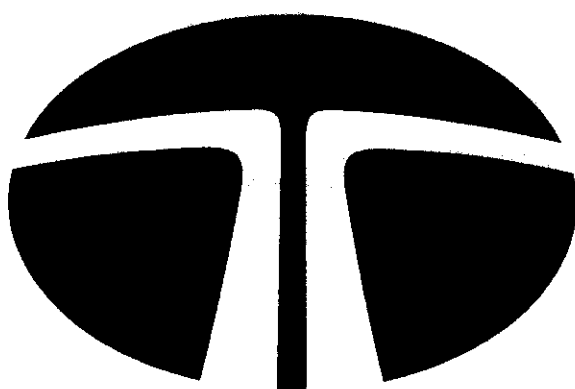
## V. Generic Names of three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

N . A .

Product Description

N . A .



**TATA**

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# V a l u e s



Customer-Oriented Service

Total Quality Approach

Concern for Employees

To abide by the TATA Code of Conduct



Professional work culture

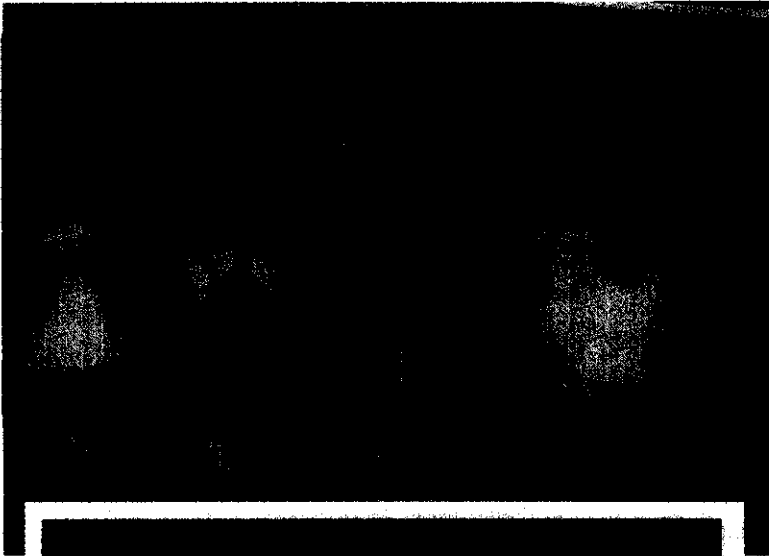
Growth balanced with environmental protection

Maintaining high standards of Safety

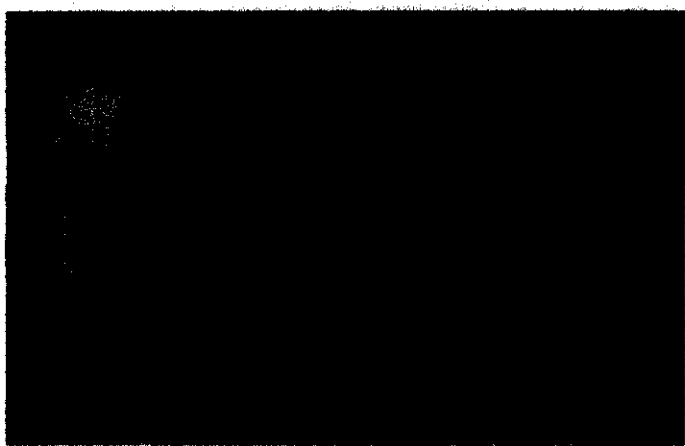
Community Welfare



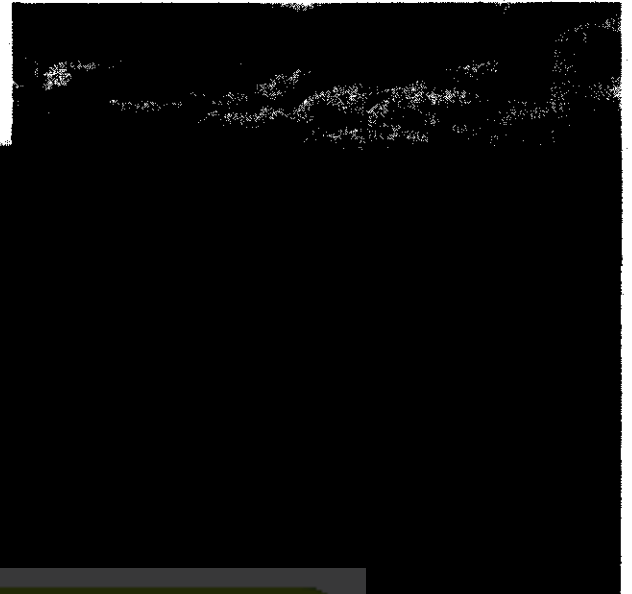
# Community Initiatives



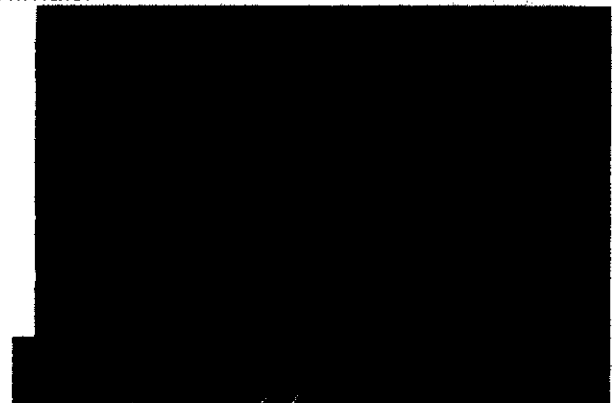
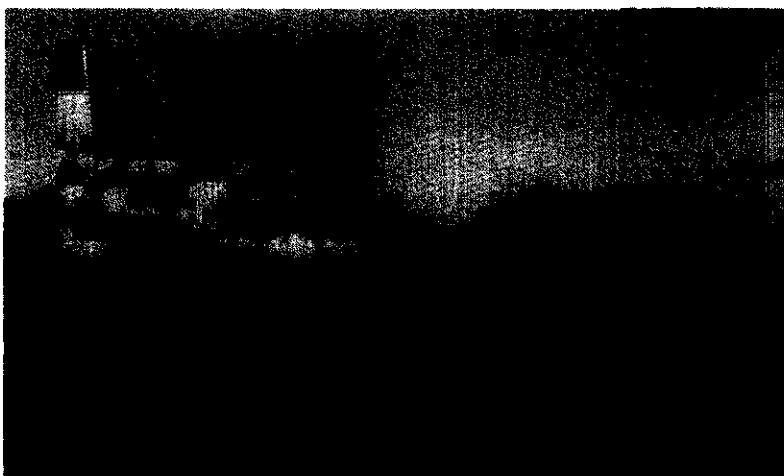
Tata Electric have always been conscious about environment protection and community development. Conducting comprehensive school environment education programmes, construction of primary schools in rural areas and conducting workshops for teachers for imparting environment education have helped in developing among the student community new values pertaining to conservation of natural resources.



Distribution of fruit trees and providing fish fingerlings to village panchayats have enabled augment village income and create employment opportunities.



Eco-restoration and eco-development programmes in catchment areas, conserving endangered species of flora and fauna have made the surrounding hills around catchment areas green and aesthetically picturesque attracting different species of birds and animals.





**TATA ELECTRIC**

The Tata Power Company Limited

Bombay House 24 Homi Mody Street Mumbai 400 001

# TEC cos plan Rs 4,700-cr capital investment

Our Mumbai Bureau  
14 JUNE

THE three companies to be merged under Tata Electric Companies (TEC) have chalked out a Rs 4,730 crore capital investment plan for '00-01. While a majority of the total investments are expected to go into projects coming up in its licence and non licence areas, 12 per cent will go into the LNG project and another eight per cent into communications and broad band projects.

According to Adi Engineer, the power executive director, the company is talking to 3-4 IPPs to share power projects which are being up in Madhya Pradesh,

which are under execution. They have already invested around Rs 1,150 crore. The proposed investments on four projects amount for an additional Rs 1,200 crore, he said. A majority of the total requirement (45 per cent) of Rs 3,530 crore will be met by the company.

The board is also planning to issue up to Rs 1,000 crore in preference shares to meet the company's capital requirements in one or two tranches, he said.

While preference shares will account for eight per cent of the total accruals, the company will have to raise Rs 1,000 crore in equity, he said. The company will have to raise Rs 1,000 crore in equity, he said.

Aggregate net profit up 42% at Rs 469 cr

## Tata Group's high-powered fusion

WENGER POINED TO CONSOLIDATE BALANCE SHEET

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टाटा समूहातील ताटा इलेक्ट्रिक कंपन्यांचा  
विलीनीकरण